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Livestock and Meat Situation

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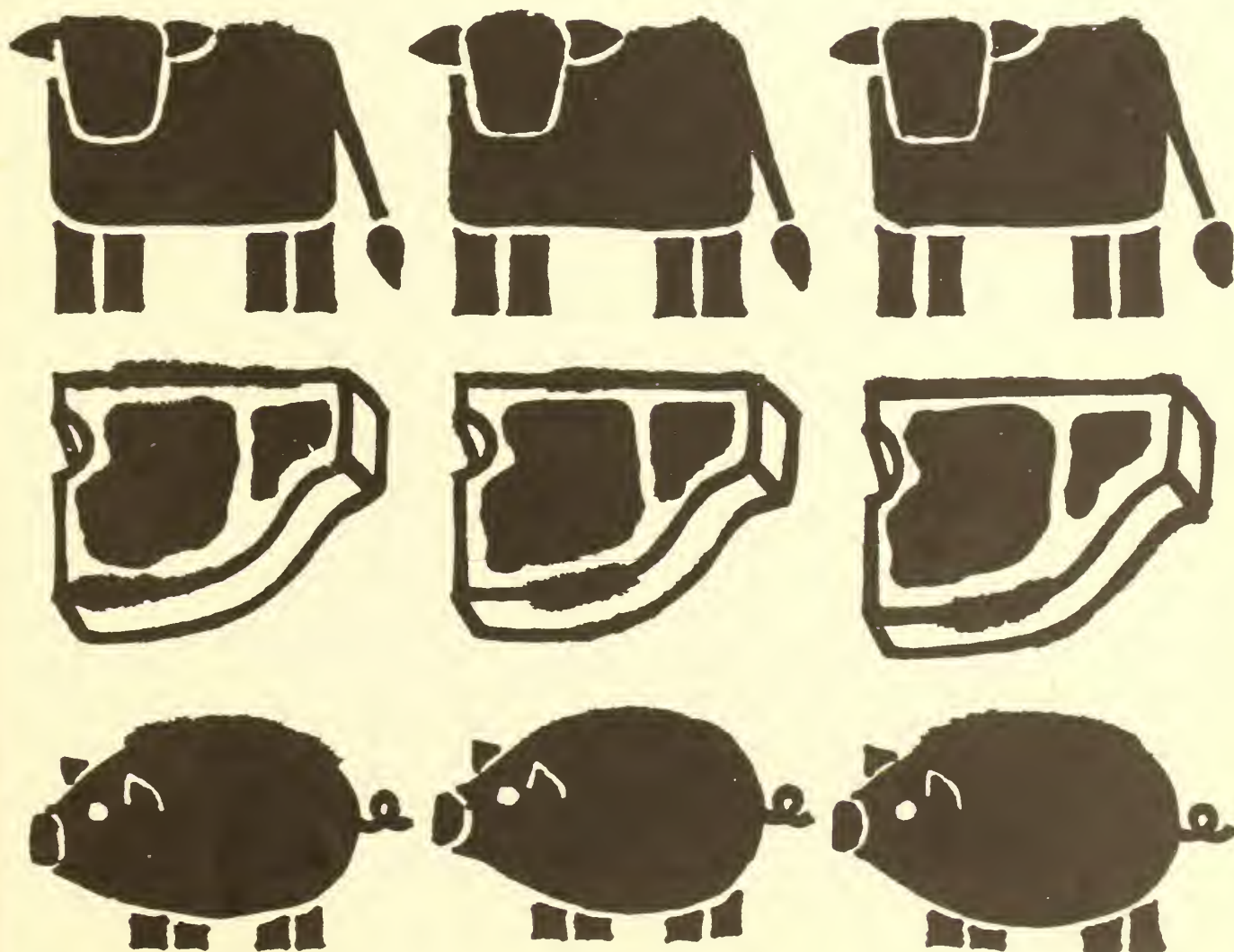
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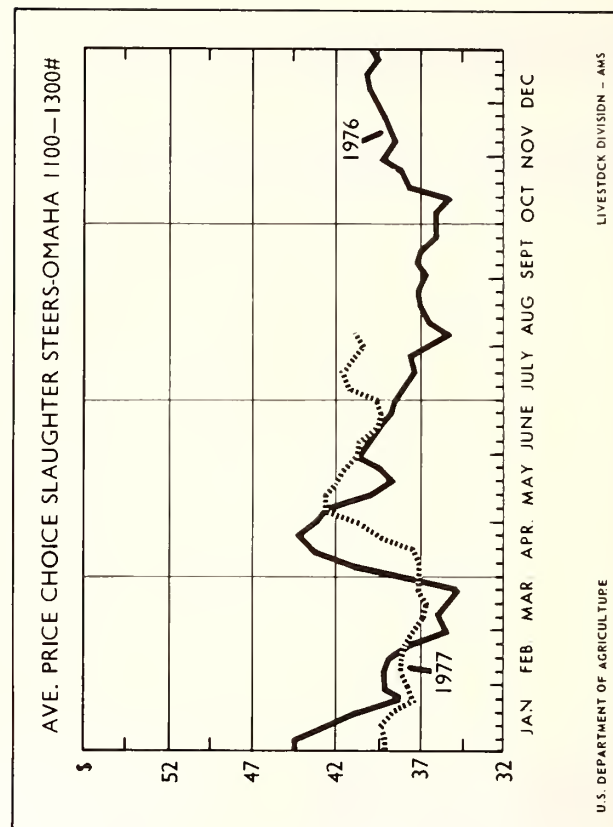
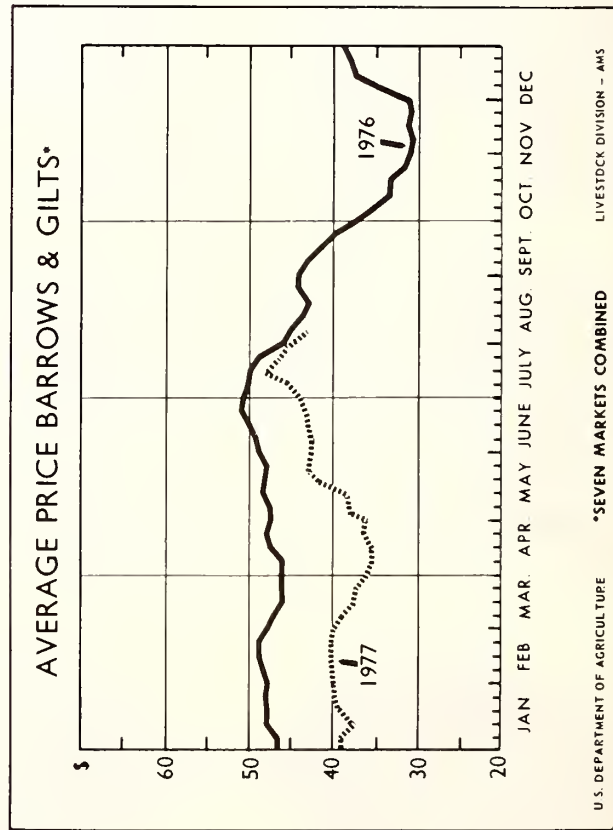
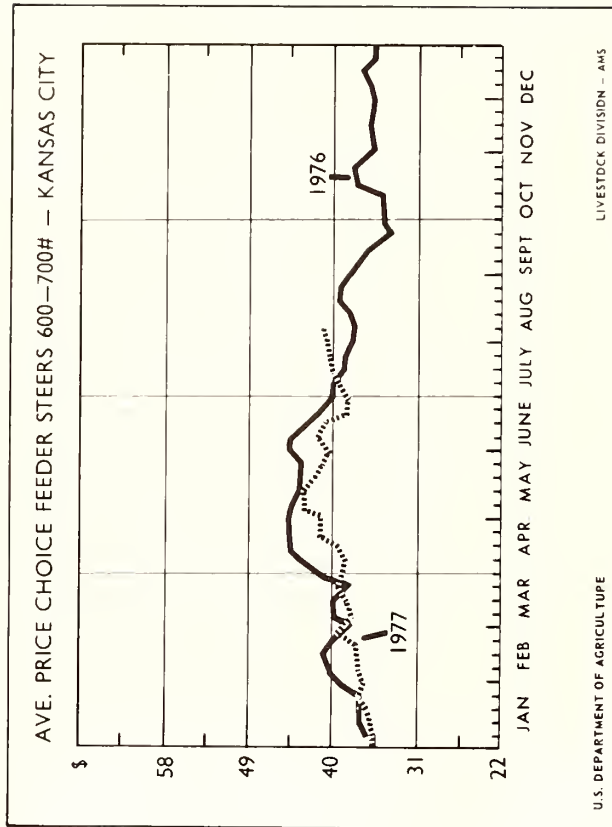
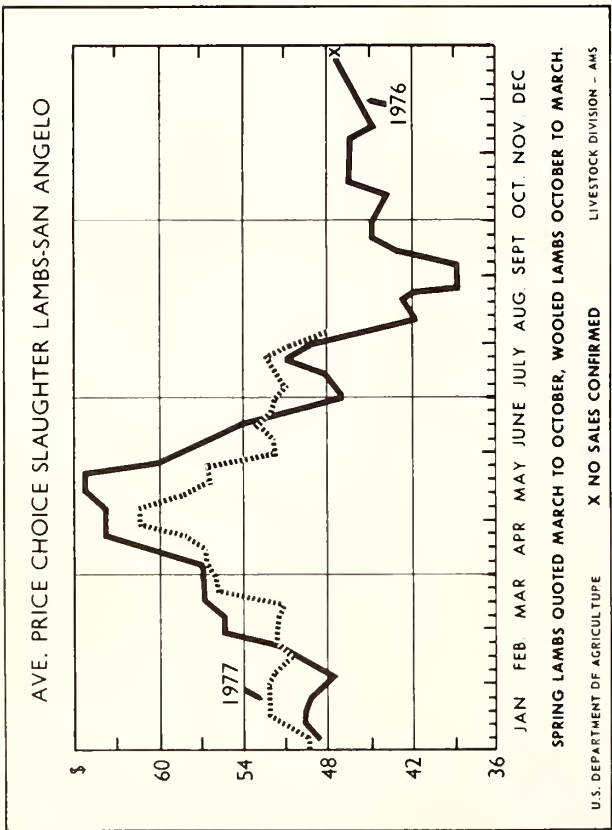
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LIVESTOCK AND MEAT SITUATION

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SUMMARY

Per capita red meat and broiler consumption in 1977 may about match last year's record high level. Red meat consumption per person this year is expected to be only slightly below last year's 193 pounds. An expected second half consumption of around 96 pounds would be about equal to the first half level but almost 3 pounds less than in 1976. Second half per capita broiler consumption is expected to be above the year-earlier level, but this increase will likely be less than 1 pound.

Continuing large supplies of red meat and poultry will probably prevent any large year-to-year increases in beef and pork prices this year. However, with higher consumer incomes and narrow marketing margins, particularly for pork, some increases in retail beef and pork prices are likely.

The retail price of Choice grade beef is expected to rise gradually through the remainder of 1977, with the second half averaging 4 to 5 percent above both year-earlier and first half prices. A widening of the pork marketing spread from current low levels and higher hog prices this fall than last will largely offset the seasonal decline in market hog prices—resulting in second half retail pork prices 4 to 5 percent higher than a year earlier. This level of retail pork prices would be about 10 percent above the first half 1977 average.

Beef production during the last half of this year is expected to about equal the first half but likely will be 4 to 5 percent below a year earlier. With increasing placements of cattle on feed, the slaughter mix will contain a higher percentage of fed cattle than last year as fed cattle slaughter rises and nonfed slaughter continues below last year's level. Cow slaughter will continue at a relatively high rate but will be below the high level of the last 2 years.

The July cattle inventory report did not provide cattlemen with much near-term optimism. A slight year-to-year increase was reported for the number of steers and heifers (excluding replacement heifers) weighing over 500 pounds. The larger supply of yearlings will continue to supply ample quantities of feeder cattle in the near term. This can support further increases in placements of cattle on feed which would mean higher levels of fed cattle marketings into next year. Nonfed steer and heifer slaughter will likely remain relatively high for the remainder of this year, although considerably below the levels of the last 3 years.

The large supply of beef will keep the pressure on cattle prices through the end of this year. Choice 900 to 1,100 pound steers at Omaha are expected to trade in the high \$30's and low \$40's during the last half of the year and average \$2 to \$4 above the year-earlier level. As feeder cattle supplies decline and with good prospects for a large corn crop, feeder cattle prices will likely begin to rise by yearend.

A projected 1977 total cattle and calf slaughter of about 47 million head and the estimated 46.1 million head calf crop suggest a January 1, 1978, total cattle and calf inventory of 117 to 118 million head. This would be about the same as in 1972 and well below the 132 million head on hand at the beginning of 1975. This points to lower beef production and higher cattle prices for the next few years. It also indicates higher retail beef prices.

Pork production during the last half of 1977 is expected to be slightly higher than the first half but will about equal the year-earlier level. Production will show a seasonal increase from summer to fall. A small year-to-year increase is

expected this summer, while a 2- to 3-percent decline is in prospect for the fall. This level of production is expected to keep the market price for slaughter hogs near the 1976 summer average but \$3 to \$5 above last fall's average of \$34 per hundredweight.

Producer intentions, as reported on June 1, point to a 5-percent increase in the June-November pig crop. If intentions are realized, the December 1 inventory of all hogs and pigs would be about 5 percent. A larger fall pig crop than planned last June is likely due to improvement in hog prices during June and July and prospects for a large corn crop. With continued favorable hog-feed relationships, hog producers are likely to expand further during the first half of 1978. The spring 1978 pig crop could be up 8 to 10 percent. This suggests higher levels of pork production for 1978 with declining prices. Hog prices during 1978 could decline to levels at which hog producer profits are squeezed, even with a large corn crop and feed costs below the 1977 level.

SITUATION AND OUTLOOK

Commercial Meat Production and Livestock Prices

	1976				1977				1978	
	I	II	III	IV	I	II	III ¹	IV ¹	I ¹	II
Production:										
Beef (mil. lb.)	6,492	6,145	6,618	6,412	6,329	6,162	6,250	6,200	6,100	
% Δ year earlier	+11	+10	+11	+2	-3	0	-6	-3	-4	
Pork (mil. lb.)	2,896	2,782	2,951	3,590	3,276	3,186	3,050	3,500	3,500	
% Δ year earlier	-5	-5	+17	+27	+13	+15	+3	-3	+7	
Lamb and Mutton (mil. lb.)	95	82	92	92	90	86	89	88	85	
% Δ year earlier	-5	-15	-12	-6	-5	+5	-3	-4	-6	
Veal (mil. lb.)	206	178	205	224	211	186	195	180	145	
% Δ year earlier	+24	-2	-12	-9	+2	+4	-5	-20	-31	
Total Red Meat (mil. lb.)	9,689	9,187	9,866	10,318	9,906	9,620	9,584	9,968	9,830	
% Δ year earlier	+6	+4	+12	+9	+2	+5	-3	-3	-1	
Broilers ² (mil. lb.)	2,116	2,314	2,372	2,186	2,156	2,400	2,440	2,270	2,260	
% Δ year earlier	+15	+12	+14	+10	+2	+4	+3	+4	+5	
Turkeys ² (mil. lb.)	207	369	710	664	210	365	690	665	230	
% Δ year earlier	+24	+28	+14	+5	+1	-1	-3	0	+10	
Total Red Meat & Poultry (mil. lb.) . . .	12,012	11,870	12,948	13,168	12,272	12,385	12,714	12,903	12,320	
% Δ year earlier	+8	+7	+13	+9	+2	+4	-2	-2	0	
Prices:										
Choice steers, Omaha 900-1100 lb. \$/cwt. .	38.71	41.42	37.30	39.00	37.88	40.77	40.42	41.43	42.44	
Barrows & gilts, 7 mths. \$/cwt.	47.99	49.19	43.88	34.25	39.08	40.87	42.44	37.39	35.37	
Slaughter lambs, Choice San Angelo \$/cwt. ³ . .	51.50	58.63	43.54	45.31	52.98	55.76	47.49	48.50	52.54	
Broilers, 9-city avg. Cents/lb. ⁴	42.2	41.7	41.5	35.5	40.9	42.3	42.44	39.41	41.43	
Turkeys, New York Cents/lb.	49.3	48.2	48.5	49.0	50.2	51.5	51.53	53.55	49.51	

¹ Forecast. ² Federally inspected. ³ Wholesale weighted average. ⁴ Wholesale, 8-16 lb. young hens.

FEED SITUATION AND LIVESTOCK PRODUCTION COSTS

Prospects continue good for large corn and soybean crops this year. This would increase the supply of concentrate feeds with resultant lower feed costs for cattle feeders, hog producers, and lamb feeders. On the other hand, pasture and range conditions in many areas are extremely poor and hay production may be curtailed. A tight forage supply situation does not portray a bright picture for cattle and sheep raisers.

Grain and Protein Meal Prices Decline

Since the first of this year, grain prices have trended downward. A large wheat crop helped push the U.S. average price received by farmers down to \$2 per bushel during July. This was \$1.33 per bushel below the July 1976 price. With prospects for a large corn crop this year, the price received by farmers for corn was down to \$1.93 per bushel in mid-July, \$.89 per bushel below the year-earlier price. Grain price declines of this magnitude are dropping feed costs substantially below a year ago.

Wheat prices this spring fell below corn. With this price relationship, there was probably a substantial increase in wheat feeding. As the harvest season passes for wheat and approaches for corn, the price relationship will likely become less favorable for wheat.

An expected large soybean crop will improve the protein meal supply and price situation for livestock producers. This spring, the U.S. average price paid by farmers for 44 percent soybean meal rose to over \$300 per ton. Prices, however, have declined and are expected to continue to do so through the remainder of this year if weather continues to favor a large soybean crop.

Forage Supplies Critically Low in Many Areas

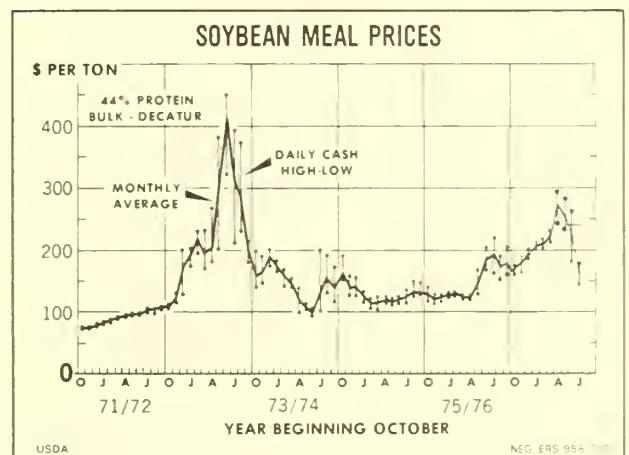
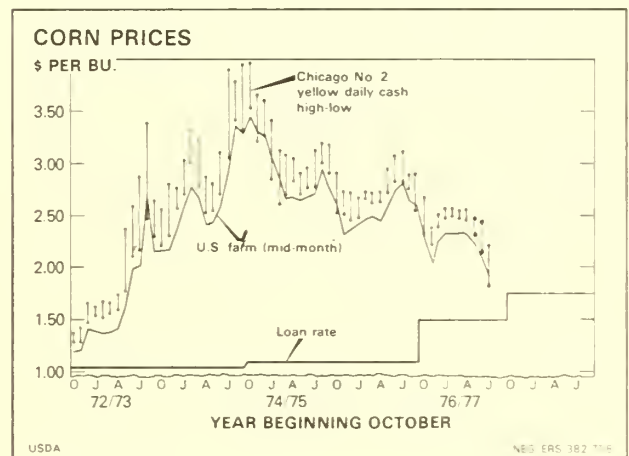
Pasture and range feed conditions continued to decline during June. This was particularly true for the Eastern and far Western States. On July 1, the index of pasture and range feed conditions for the U.S. was 68 percent. This was down 7 percentage points from a year ago and 16 points below the 1966-75 average.

Poor pasture and range conditions are causing severe problems for livestock producers in affected areas. Some areas are faced with such severe grazing conditions that they have been declared disaster areas and are eligible for certain types of governmental assistance. Some producers have had to feed hay in recent weeks, a production practice not common for them. In areas where hay has had to be fed, this year's hay crop is also being severely reduced by dry weather. Therefore, their hay supplies for the winter when hay feeding is a common practice could be critically low unless late summer and early fall rains are generous. Some farmers, particularly in the Southeast, have salvaged some feed from drought-stricken corn crops by cutting and baling it for livestock feed.

Grazing conditions in the Plains States have been better than last year. These States have a large percent of

the beef herd. Deteriorating grazing conditions in this area at this time could be a severe blow to the cattle industry.

Hay prices have remained relatively high this year after climbing during the past winter and prospects for much



price reduction this year appear very dim. Many of the Western States have suffered from poor grazing conditions this year. Also, some of the western areas that normally irrigate hay crops have been faced with reduced supplies of water for irrigation. Much of the Southeast has been plagued with dry conditions and the hay crop has been reduced. However, conditions in some parts of the Plains States and Corn Belt-Lake States have been a little more favorable for hay production.

With May 1 hay stocks substantially reduced from year-earlier levels, it does not appear that this year's hay production will be large enough to cause much reduction in price. Also, there will likely be areas where supplies are critically low and transportation charges for getting hay to these areas may be high.

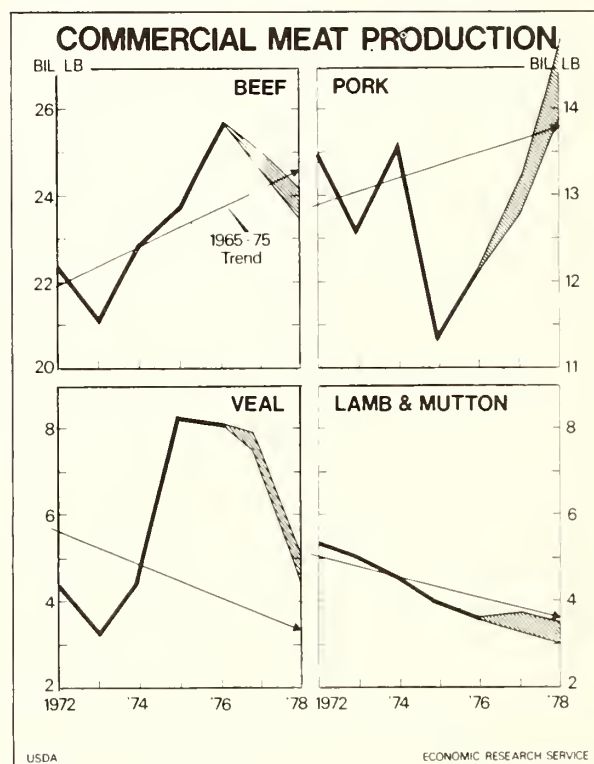
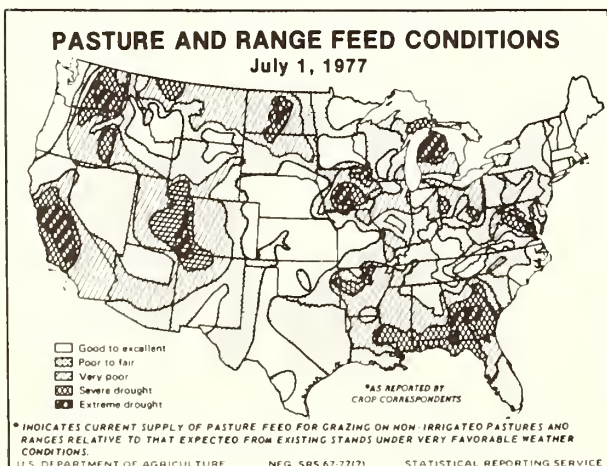
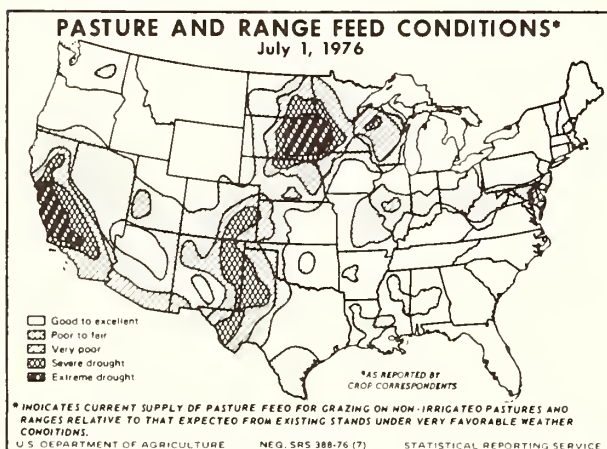
The cattle inventory has been reduced and although the demand for hay will be less this year, livestock producers who need forages for the winter will have to make some crucial decisions over the next few months. They will have to decide whether to further liquidate herds to a level that can be supported with existing forage supplies or whether to go into the market and try to buy more hay.

CATTLE

Beef production during the second half of 1977 will likely be 4 to 5 percent below year-earlier levels but about equal to the first 6 months of this year. Pork production from July through December should about equal last year's level, while broiler production will probably be up 4 to 5 percent.

This large supply of meat will likely prevent large increases in beef prices this year. With rising consumer income, a 4- to 6-percent increase in retail beef prices over those for the first half of 1977 is likely. Prices for Choice 900-1,100 pound steers at Omaha are expected to average in the low \$40's for the remainder of this year if weather continues to favor a large corn crop and forage supplies do not further deteriorate.

A glimpse into 1978 shows further declines in beef production are probable. Year-to-year declines in production will likely be in excess of 4 percent. Assuming a continued growth in consumer income, such a decline in production is expected to yield higher prices for cattle and for beef at retail. However, larger pork and broiler supplies are expected next year and this will temper beef price rises.



Cattle Feeding To Continue To Rise

Although cattle on feed inventories through the first half of this year have been below year-earlier levels, placements on feed and fed cattle marketings have been larger. The 23

Jan. 1 cattle inventory and calf crop

Year	Cattle	Cows	Cows/ cattle	Calf crops	Calf crop/ cows
	1,000 head	1,000 head	Percent	1,000 head	Percent
1950 ..	77,963	37,946	49	34,899	92
1951 ..	82,083	39,415	48	35,825	91
1952 ..	88,072	41,225	47	38,273	93
1953 ..	94,241	44,030	47	41,261	94
1954 ..	95,679	46,045	48	42,601	93
1955 ..	96,592	46,240	48	42,112	91
1956 ..	95,900	45,460	47	41,376	91
1957 ..	92,860	44,115	48	39,905	90
1958 ..	91,176	42,790	47	38,860	91
1959 ..	93,322	42,680	46	38,938	91
1960 ..	96,236	43,325	45	39,416	91
1961 ..	97,700	44,045	45	40,180	91
1962 ..	100,369	45,086	45	41,441	92
1963 ..	104,488	46,399	44	42,268	91
1964 ..	107,903	47,868	44	43,809	92
1965 ..	109,000	48,780	45	43,922	90
1966 ..	108,862	47,990	44	43,537	91
1967 ..	108,783	47,495	44	43,803	92
1968 ..	109,371	47,685	44	44,315	93
1969 ..	110,015	48,040	44	45,177	94
1970 ..	112,369	48,780	43	45,871	94
1971 ..	114,578	49,786	43	46,739	94
1972 ..	117,862	50,585	43	47,695	94
1973 ..	121,534	52,542	43	49,132	94
1974 ..	127,670	54,293	43	50,695	93
1975 ..	131,826	56,682	43	50,426	89
1976 ..	127,976	54,832	43	47,415	86
1977 ..	122,896	52,395	43	46,086	88

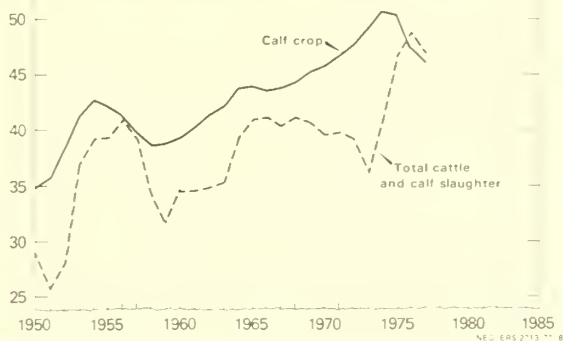
July 1, Cattle Inventory

Class	1975	1976	1977	1977/ 1976
	1,000 head	1,000 head	1,000 head	Percent change
Cattle and calves ..	140,056	133,559	130,565	-2
Cows and heifers				
that have calved ..	57,993	53,874	52,282	-3
Beef cows	46,851	42,829	41,303	-4
Milk cows	11,142	11,045	10,979	-1
Heifers 500				
pounds and over ..	18,936	18,883	18,395	-3
For beef cow				
replacement ...	7,377	6,520	5,855	-10
For milk cow				
replacements ..	3,932	3,945	4,011	+2
Other heifers	7,627	8,418	8,529	+1
Steers 500 pounds				
and over	17,291	18,690	18,717	0
Bulls 500 pounds				
and over	3,063	2,754	2,695	-2
Heifers, steers and				
bulls under 500				
pounds	42,773	39,358	38,476	-2
Calf crop ¹	50,426	47,415	46,086	-3

¹ For 1977, the calf crop is the number of calves born before July 1 plus the number expected to be born after July 1.

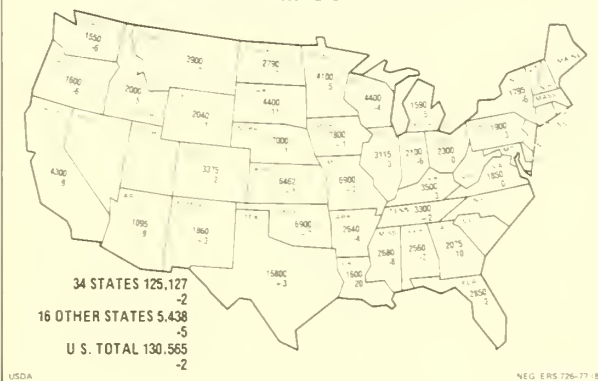
CALF CROP AND SLAUGHTER

MIL. HD.



CATTLE INVENTORY, JULY 1, 1977

Percent Change From Previous Year
1 000 HEAD



CALF CROP, JULY 1, 1977*

Percent Change From Previous Year
1 000 HEAD

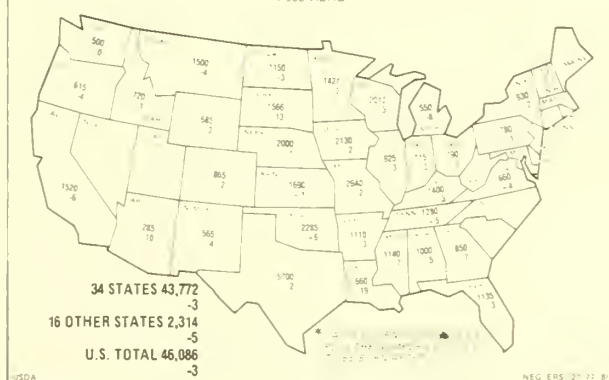


Table 1 - Cattle Balance Sheet

Year	On farms Jan. 1	Imports	Calf crop	Total supply	Slaughter		Death loss	Exports	Total disap- perance	To balance	On farms Dec. 31
					Cattle	Calves					
	1,000 head										
1950	77,963	461	34,899	113,323	18,614	10,501	3,742	8	32,865	+1,625	82,083
1951	82,083	239	35,825	118,147	17,084	8,902	3,863	8	29,857	-218	88,072
1952	88,072	140	38,273	126,485	18,625	9,388	4,034	11	32,058	-186	94,241
1953	94,241	198	41,261	135,700	24,465	12,200	4,060	15	40,740	+719	95,679
1954	95,679	86	42,601	138,366	25,889	13,270	4,063	21	43,243	+1,469	96,592
1955	96,592	314	42,112	139,018	26,587	12,864	4,052	35	43,538	+420	95,900
1956	95,900	159	41,376	137,435	27,755	12,999	3,912	37	44,703	+128	92,860
1957	92,860	728	39,905	133,493	27,068	12,353	3,801	44	43,266	+949	91,176
1958	91,176	1,152	38,860	131,188	24,368	9,738	3,810	26	37,942	+76	93,322
1959	93,322	709	38,938	132,969	23,722	8,072	3,876	51	35,721	-1,012	96,236
1960	96,236	663	39,416	136,315	26,029	8,615	4,100	32	38,776	+161	97,700
1961	97,700	1,043	40,180	138,923	26,471	8,080	4,018	24	38,593	+39	100,369
1962	100,369	1,250	41,441	143,060	26,911	7,857	4,125	19	38,912	+340	104,488
1963	104,488	852	42,268	147,608	28,070	7,204	4,040	23	39,337	-368	107,903
1964	107,903	547	43,809	152,259	31,678	7,632	4,232	62	43,604	+345	109,000
1965	109,000	1,128	43,922	154,050	33,171	7,788	4,248	54	45,261	+73	108,862
1966	108,862	1,100	43,537	153,499	34,173	6,863	4,049	35	45,120	+404	108,783
1967	108,783	752	43,803	153,338	34,297	6,110	4,045	55	44,507	+540	109,371
1968	109,371	1,039	44,315	154,725	35,414	5,616	4,012	36	45,082	+372	110,015
1969	110,015	1,042	45,177	156,234	35,573	5,011	4,123	39	44,746	+881	112,369
1970	112,369	1,168	45,871	159,408	35,354	4,203	4,297	88	43,942	-888	114,578
1971	114,578	991	46,739	162,308	35,895	3,821	4,464	93	44,273	-173	117,862
1972	117,862	1,186	47,695	166,743	36,083	3,184	5,136	104	44,507	-702	121,534
1973	121,534	1,039	49,132	171,705	34,027	2,376	6,497	273	43,173	-862	127,670
1974	127,670	568	50,695	178,933	37,327	3,172	6,100	204	46,803	-304	131,826
1975	131,826	389	50,426	182,641	41,464	5,406	7,000	196	54,066	-599	127,976
1976 ¹	127,976	984	47,415	176,375	43,170	5,550	4,500	205	53,425	-54	122,896
1977 ²	122,896	800	46,086	169,782	41,650	5,400	5,000	200	52,250		117-118

¹ Preliminary. ² Projected.

State July Cattle on Feed report showed a 3-percent year-to-year decline in the number of cattle on feed. Placements during the April-June quarter were up 7 percent. However, after taking into account the unusually large number of other disappearances, net placements for the quarter registered only a 4-percent increase. Fed cattle marketings for the second quarter were also up 4 percent.

The rate of turnover for cattle in feedlots during the first half of this year has been relatively high. Drawing on this year's large supply of heavy yearlings outside feedlots, average placement weights have probably been a little heavier than usual. Rates of gain have been good and cattle feeders have remained current with their marketings. These factors increased the rate of turnover and helped keep first half 1977 fed cattle marketings almost 3 percent above year-earlier levels.

First half placements give an indication of future fed cattle marketings. The relationship between January-June placements and July-December fed cattle marketings suggests that the 23-States second half 1977 marketings will be just under 12 million head. However, with an above average rate of turnover expected to continue during the second half of this year, July-December fed cattle marketings are expected to total a little over 12 million head.

On July 1, producers' intentions were to market just over 6.0 million head of fed cattle during the July-September period. The July 1 number of steers on feed weighing over

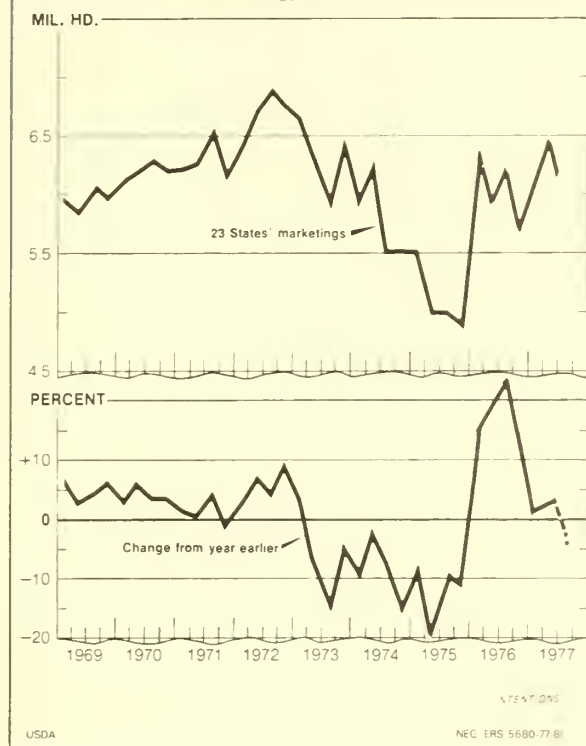
900 pounds and heifers weighing over 700 pounds usually gives a good indication of third quarter fed cattle marketings. This year's inventory in these weight groups suggests a July-September fed cattle marketing of about 6.2 million head—slightly higher than producers' intentions.

Fed cattle marketings of about 6.0 million head are expected for the fourth quarter. This would be above the level suggested by the number of 700 to 900 pound steers and 500 to 700 pound heifers on feed July 1. The placement of heavier than usual animals this summer and the continued higher rate of turnover should support fourth quarter marketings in excess of that suggested by the inventory in these weight groups.

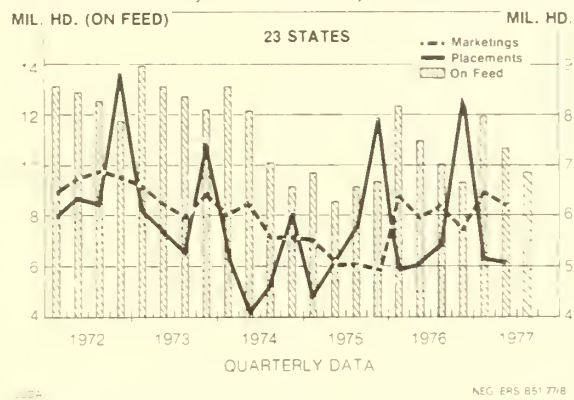
Prospects for a large corn and soybean crop with resultant lower feed prices should aid cattle feeders. Corn prices this fall are likely to be at or near the loan rate. Lower feed prices and some stiffening in the cattle market are expected to cause placements of cattle on feed to continue above year-earlier levels for the remainder of this year. However, few if any, cattle feeders could hedge in a profit during late July when near-term futures prices were running in the high \$30's—tending to hold down current placements.

As feeder cattle supplies continue to decline, feeder cattle prices are expected to rise. Significantly higher feeder cattle prices, however, are not expected to occur before late in the year. This will partially offset the lower feed prices and have an impact on cattle feeding profits.

FED CATTLE MARKETINGS, BY QUARTERS 23 STATES



CATTLE ON FEED, PLACEMENTS, AND MARKETINGS

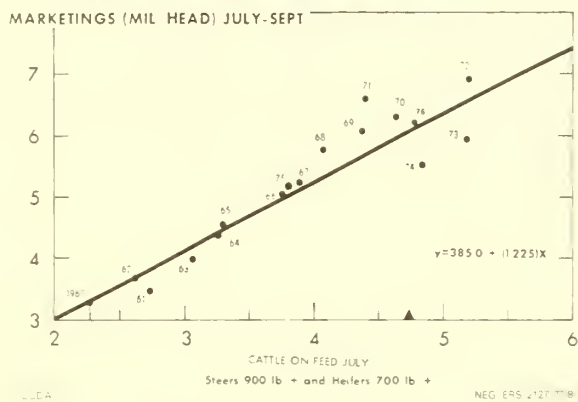


Cattle on feed, placements, and marketings, 23 States

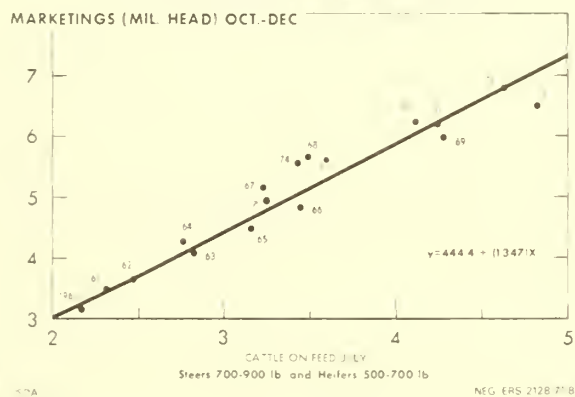
Item	1974	1975	1976	1977	1977/ 1976
	1,000 head	1,000 head	1,000 head	1,000 head	Percent change
On feed Apr. 1 ..	12,310	8,473	10,895	10,618	-3
Placements, Apr.- June	4,746	5,550	5,615	6,015	+7
Marketings, Apr.- June	6,271	5,028	5,939	6,169	+4
Other disappearance, Apr.-June	738	453	518	714	+38
On feed July 1 ..	10,047	8,542	10,053	9,750	-3
Steers & steer calves	7,305	5,695	6,607	6,367	-4
-500 lb.	207	184	197	284	+44
500-699 lb. ...	1,334	1,084	1,079	1,037	-4
700-899 lb. ...	2,621	2,242	2,502	2,366	-5
900-1,099 lb. ...	2,455	1,852	2,263	2,265	0
1,100 + lb. ...	688	333	566	415	-27
Heifers & heifer calves	2,693	2,782	3,389	3,343	-1
-500 lb.	209	202	224	222	-1
500-699 lb. ...	807	998	1,091	1,031	-5
700-899 lb. ...	1,299	1,256	1,552	1,623	+5
900 + lb.	378	326	522	467	-11
Cows	49	65	57	40	-30
Marketings, July-Sept.	5,522	5,014	6,201	6,048	-2

¹ Intentions.

CATTLE ON FEED AND MARKETINGS



CATTLE ON FEED AND MARKETINGS



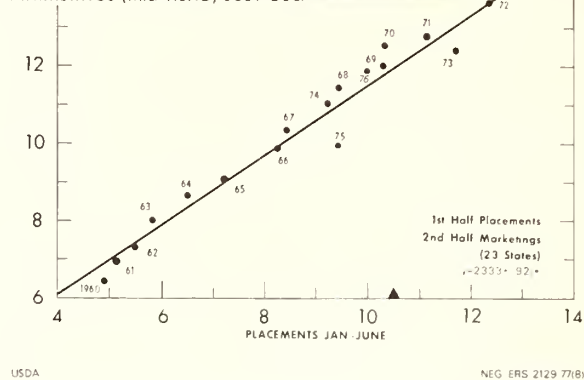
Steer prices, costs, and net margins¹

Year	Steers Omaha	Feed & Feeder	Break-even	Net margin
	\$ per cwt.	\$ per cwt.	\$ per cwt.	\$ per cwt.
1975				
Jan.	36.34	39.63	45.27	-8.93
Feb.	34.74	42.39	48.09	-13.35
Mar.	36.08	38.18	43.69	-7.61
Apr.	42.80	39.74	45.37	-2.57
May	49.48	37.54	43.11	+6.37
June	51.82	37.53	43.09	+8.73
July	50.21	35.36	40.82	+9.39
Aug.	46.80	34.43	39.91	+6.89
Sept.	48.91	34.57	40.10	+8.81
Oct.	47.90	36.31	41.77	+6.13
Nov.	45.23	38.31	43.93	+1.30
Dec.	45.01	38.97	44.64	+1.37
1976				
Jan.	41.18	37.83	43.50	-2.32
Feb.	38.80	39.05	44.67	-5.87
Mar.	36.14	40.04	45.79	-9.65
Apr.	43.12	39.39	45.30	-2.18
May	40.62	38.15	44.01	-3.39
June	40.52	38.12	43.98	-3.46
July	37.92	38.34	44.17	-6.25
Aug.	37.02	40.40	46.40	-9.38
Sept.	36.97	39.94	45.94	-8.97
Oct.	37.88	42.53	48.68	-10.80
Nov.	39.15	43.28	49.42	-10.27
Dec.	39.96	43.37	49.49	-9.53
1977				
Jan.	38.38	40.85	47.82	-9.44
Feb.	37.98	40.46	46.35	-8.37
Mar.	37.28	39.25	45.06	-7.78
Apr.	40.08	37.86	43.66	-3.58
May	41.98	36.24	42.07	-0.09
June	40.24	37.73	43.58	-3.34
July	40.94	38.50	44.41	-3.47
Aug.		39.28	45.31	
Sept.		40.01	46.10	
Oct.		41.53	47.72	
Nov.		40.77	47.04	
Dec.		38.88	45.09	

¹ Selling price required to cover costs of feeding 600 lb. feeder steer to 1,050 lb. slaughter in Corn Belt.

PLACEMENTS AND MARKETINGS

MARKETINGS (MIL. HEAD) JULY-DEC.

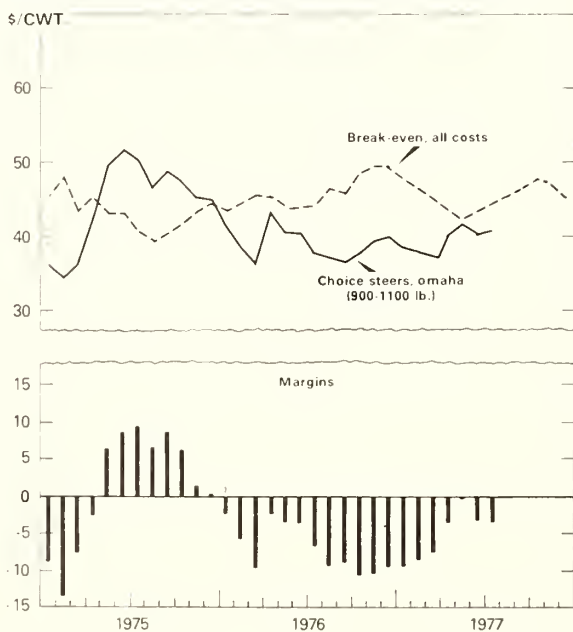


July 1 feeder cattle supply

Item	1974	1975	1976	1977	% ³
1,000 head					
Calves under 500 lb.					
On farms	41,873	42,773	39,358	38,476	-2
On feed ¹	433	405	442	531	+20
Feeder supply	41,440	42,368	38,916	37,945	-2
Steers and heifers over 500 lb. ²					
On farms	25,668	24,918	27,108	27,246	+1
On feed ¹	9,965	8,496	10,054	9,664	-4
Feeder supply	15,703	16,422	17,054	17,582	+3
Total feeder supply	57,143	58,790	55,970	55,527	-1

¹ Estimated U.S. steers and heifers. ² Not including heifers for cow replacements. ³ Percent change from 1976.

STEER PRICES, COSTS, AND NET MARGINS



CHANGES IN BEEF PRICES AND PRODUCTION

% CHANGE

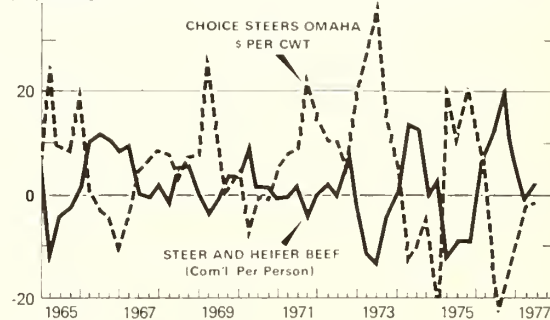


Table 2—Beef supplies and prices

	Commercial cattle slaughter ¹						Average dressed weight	Com- mercial produc- tion	Per capita con- sump- tion ²	Retail	Prices		
	Steers and heifers			Cows	Bulls and stags	Total					Choice Feeders 600-700 lb. Kan- sas City	Choice Steers Omaha 900- 1100 lb.	Farm
	Fed	Non-fed	Total										
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	Lb.	Mil. lb.	Lb.	Cents/ lb.	\$/cwt.	\$/cwt.	\$/cwt.
1973: I	6,770	146	6,916	1,590	156	8,662	624	5,393	28.0	129.2	50.77	43.28	40.80
II	6,470	86	6,556	1,434	165	8,155	621	5,049	26.2	135.8	53.74	45.84	43.43
III	6,080	204	6,284	1,533	180	7,997	626	4,997	26.8	141.8	57.98	48.57	47.67
IV	6,570	437	7,007	1,691	175	8,873	638	5,649	28.6	135.1	50.20	40.47	40.00
Year	25,890	873	26,763	6,248	676	33,687	628	21,088	109.6	135.5	53.17	44.54	42.80
1974: I	6,100	560	6,660	1,689	165	8,514	638	5,434	28.3	145.1	47.78	45.46	42.83
II	6,430	817	7,247	1,391	179	8,817	639	5,638	28.8	134.5	39.80	40.01	36.37
III	5,680	1,526	7,206	1,913	244	9,363	614	5,751	29.4	141.0	34.64	43.91	34.97
IV	5,670	1,695	7,365	2,521	232	10,118	595	6,021	30.3	134.5	29.31	38.19	28.83
Year	23,880	4,598	28,478	7,514	820	36,812	621	22,844	116.8	138.8	37.88	41.89	35.60
1975: I	5,690	1,611	7,301	2,224	208	9,733	600	5,842	30.3	129.6	27.39	35.72	27.33
II	5,200	1,658	6,858	2,419	273	9,550	586	5,593	28.4	146.5	34.67	48.03	34.57
III	5,190	1,913	7,103	3,124	312	10,539	564	5,942	30.2	156.4	35.54	48.64	33.83
IV	5,130	1,865	6,995	3,790	304	11,089	568	6,296	31.2	151.4	38.06	46.05	33.07
Year	21,210	7,047	28,257	11,557	1,097	40,911	579	23,673	120.1	146.0	33.91	44.61	32.30
1976: I	6,550	1,375	7,925	2,748	240	10,913	595	6,492	32.7	142.1	39.19	38.71	33.37
II	6,150	1,429	7,579	2,330	261	10,170	604	6,145	31.2	141.5	43.89	41.42	37.17
III	6,430	1,605	8,035	2,612	262	10,909	607	6,618	33.3	136.1	38.10	37.30	32.97
IV	5,910	1,588	7,498	2,929	235	10,662	601	6,412	31.6	136.0	36.40	39.00	31.93
Year	25,040	5,997	31,037	10,619	998	42,654	602	25,667	128.8	138.9	39.40	39.11	33.70
1977: I	6,690	1,026	7,716	2,533	212	10,461	605	6,329	31.8	135.1	37.77	37.88	33.07
II	6,420	1,386	7,806	2,163	228	10,197	604	6,162	31.1	136.6	41.10	40.77	35.03
III													
IV													
Year													

¹ Classes estimated. ² Total, including farm production.

Smaller Beef Supplies Expected for Second Half of This Year

The level of nonfed steer and heifer and cow slaughter continues to be a big element of uncertainty in the beef supply picture. Deteriorating pasture and range conditions in many areas have forced many cattle to market. Some of the steers and heifers have gone into feedlots but many have gone to slaughter. The larger midyear number of yearling cattle can support both an increase in placements and a relatively large July-December nonfed steer and heifer slaughter. Still, it is likely that nonfed steer and heifer slaughter for the last half of this year will be the lowest since 1973.

Commercial cattle slaughter for the third quarter is likely to be 5 or 6 percent below last year's record level of 10.9 million head. Summer quarter fed cattle marketings are expected to about equal last year's level. With a decline in nonfed slaughter, fed cattle this summer probably will account for a larger share of total slaughter than last year. Although containing a great amount of uncertainty, a nonfed slaughter of at least 1.3 to 1.4 million head this summer seems likely. This could easily go higher if pasture and range conditions over wide areas of the country continue to deteriorate.

Cow slaughter has remained at a relatively high level. The extremely dry conditions during late spring and

early summer contributed to a large cow slaughter, particularly in some of the Eastern States where the rate of liquidation during this phase of the cycle had been below the U.S. average. Poor grazing conditions in many areas will likely contribute to a relatively high cow slaughter this summer but below the level of the last 2 years.

With the reductions anticipated for nonfed steer and heifer and cow slaughter, commercial beef production will be below last year's record third-quarter level of 6.6 billion pounds. A decline of 5 or 6 percent is expected.

Weather, and the availability of forages, also add a great deal of uncertainty to the fall outlook. Nonfed steer and heifer and cow slaughter are expected to be below year-earlier levels. The prospects for a large corn crop and resultant lower corn prices could create a strong demand for feeder cattle. This could help reduce the level of nonfed steer and heifer slaughter even if forage supplies are low this fall. The year-to-year decline in the October-December nonfed steer and heifer slaughter could be 15 to 20 percent below the very high level of 1976.

An expected increase of 4 to 6 percent in fed cattle marketings for the fourth quarter most likely will not entirely offset the declines expected for other classes of slaughter. Therefore, total commercial cattle slaughter for

the fall is expected to be below the year-earlier level. This is expected to yield a fourth quarter production that is 3 to 4 percent below last fall's 6.4 billion pounds.

Second Half Fed Cattle Prices Not Encouraging for Cattle Feeders

A relatively large supply of beef and competing meats will likely prevent large increases in beef prices for the remainder of 1977. Choice 900 to 1,100 pound steers at Omaha are expected to trade in the high \$30's and low \$40's during the last half of the year and average \$2 to \$4 per hundredweight above the year-earlier level. However, if forage supplies are such that there is not a large forced movement of cattle from pastures and ranges this fall, some additional late-year price strength is possible.

Feeder cattle prices have remained sluggish during late spring and early summer, reflecting some forced movement of cattle from pastures and ranges. Feeder cattle prices will probably continue to be under pressure for most of the summer. The slightly smaller supply of feeder cattle combined with a large corn crop and declining corn prices could add strength to feeder cattle prices this fall.

Calf Slaughter Remains High

Calf slaughter has remained unexpectedly high this year. Commercial calf slaughter through the first 6 months was 7 percent above the year-earlier level. Lighter weights this year, however, limited the gain in production to only 3 percent.

Calf slaughter during July continued at a higher rate than last year. Dry weather and poor pasture conditions combined with the high cost of obtaining additional feed have probably been a significant factor in this high rate of calf slaughter. If poor grazing conditions and low hay supplies continue through the summer, calf slaughter will probably continue to be large. The prospect of wintering calves on expensive forages is not very encouraging to cattlemen, particularly when feeder cattle prices remain low.

Calf slaughter this fall could begin to taper off, especially if the outlook for higher prices becomes more certain. The reduced number of calves in inventory, this year's smaller calf crop, plus the fact that a higher than usual percentage of the calf crop was born during the first 6 months of this year, are positive factors for rising calf prices. Also a large corn crop with resultant lower corn prices should help strengthen feeder calf prices this fall. These factors are expected to slow the rate of calf slaughter this fall.

Inventory Decline Continues

The July 1 inventory of all cattle and calves at 130.6 million head was down 3.0 million head from a year earlier. This was less than half the decrease in inventory that occurred between July 1, 1975, and July 1, 1976. This year's decline was also less than the trade had generally anticipated.

Sharpest declines were reported for beef cows and beef replacement heifers. The July 1 beef cow inventory was about 1.5 million head (4 percent) lower than a year earlier,

but it was only slightly below the January 1 number. The report indicated that over 460,000 more replacement heifers were added to the herd during the January-June period this year than last. A 10-percent decline in the number of beef replacement heifers was reported. These reductions in beef breeding stock reflect the severe financial conditions cow-calf producers have been facing. This decline in beef breeding stock indicates that beef supplies will be declining for the next few years.

The midyear estimate of the 1977 calf crop was placed at 46.1 million head, down 3 percent from last year. This is the smallest calf crop since 1970. The 46.1 million head calf crop is 88 percent of the January 1, 1977, inventory of all cows that had calved, up slightly from the 86 percent registered for 1976.

The Statistical Reporting Service reported that a larger percent of the expected 1977 calf crop was born during the January-June period of this year than in recent years. This is one reason why the July 1 inventory of all cattle and calves may have been higher than most had expected. For example, if 3 percent more of the calves were born during the first half of the year than usual, it added about 1.4 million more head to the inventory than would have been expected. This would have also added to the July 1 inventory of heifers, steers, and bulls weighing less than 500 pounds which was not down as much as had generally been expected.

Feeder cattle supplies continue to be relatively plentiful. A decline of only 2 percent was reported in the number of calves under 500 pounds on July 1. After subtracting the July 1 number of calves on feed that weighed less than 500 pounds, there were 37.9 million calves outside feedlots or only 2 percent less than last year's 38.9 million head. If a larger percent of the calves were born during the first 6 months of this year than in recent years, then a sharp decline in the under 500 pound feeder cattle supply should occur between now and January 1, 1978.

A slight increase was reported for the number of steers and heifers (excluding replacement heifers) weighing over 500 pounds. After subtracting the July 1 number of steers and heifers on feed that weighed over 500 pounds, a 3-percent increase in yearlings outside feedlots is noted. This larger supply of heavy yearlings can continue to supply feedlots with heavier animals for placement and also contribute to a relatively high nonfed slaughter during the last half of this year. This larger supply of yearlings will likely keep July-December beef supplies relatively high and the pressure on prices.

The inventory will likely continue to decline during the remainder of the year. Liquidation during the last half of this year, however, probably will not be as large as it was a year earlier. With the smaller calf crop, a projected slaughter of about 47 million head for 1977, and a slightly higher death loss, the January 1, 1978, inventory of all cattle and calves is expected to be between 117 and 118 million head. This would be a year-to-year decline of 5 to 6 million head and it would put the inventory at about the same level as it was in 1972.

A projected 1977 total cattle and calf slaughter of about 47 million head would exceed this year's estimated calf crop. This would be the second consecutive year when total slaughter exceeded the calf crop. Prior to 1976, total slaughter had not exceeded the calf crop since 1947. This situation leads to a rapid decline in the cattle inventory unless there is a significant change in live cattle imports and exports or death losses.

An Early Look at 1978: Less Beef and Higher Prices

The rapid rate of herd liquidation that has occurred in this downturn of the cycle is leading to lower beef supplies. Liquidation contributed to record-high beef production in 1976. Continued liquidation has also contributed to high levels of beef production in 1977, perhaps only about 3 percent less than the 1976 level of production. Liquidation of the cow herd may continue into 1978 but it will probably cease during the year. Even with additional liquidation in 1978, beef production will likely decline below the 1977 level.

The estimated January 1, 1978, inventory of 117 to 118 million head is about the same as it was in 1972 when per capita beef consumption was 116.1 pounds. The slaughter mix in 1978, however, will not consist of as high a percent of fed cattle as it did in 1972.

With rising consumer income, the reduced level of domestic beef production in 1978 will likely result in higher beef prices. Increased supplies of both pork and broilers are expected next year and this will temper beef price increases. Nevertheless, prices for cattle and beef at the retail level are expected to average several percent above the expected 1977 level.

Prospects for a large corn and soybean crop are encouraging to cattlemen. The feed supply situation in 1978 is likely to be such that feed prices will be considerably below those of early 1977. Reduced feed prices will further stimulate the cattle feeding industry, particularly as fed cattle prices rise. This in turn will lead to higher feeder cattle prices which will help stop the beef cow herd liquidation.

Beef production during 1978 will probably contain a higher percentage of fed beef than it has in the past few years. Cow and nonfed steer and heifer slaughter will likely drop sharply next year unless widespread drought conditions occur. This would likely mean larger increases in ground beef prices than in the Choice cuts.

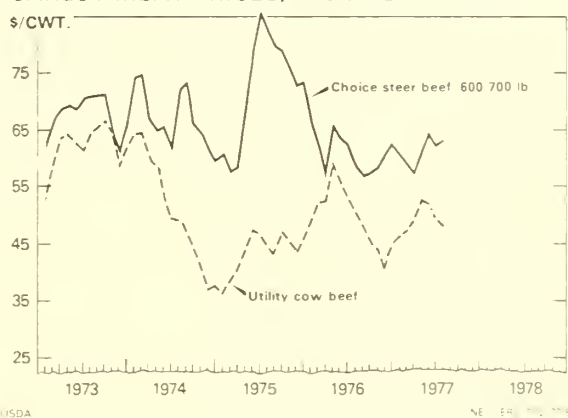
If liquidation of the beef herd continues through 1977 and into 1978 as seems likely, it will put severe constraints on beef production in the early 1980's because of the long lead time required to increase production. This, along with the possibility of a downturn in the hog production at approximately the same time, could result in very high red meat prices.

Feeder steer prices consistent with break-even, given corn and fed steer prices¹

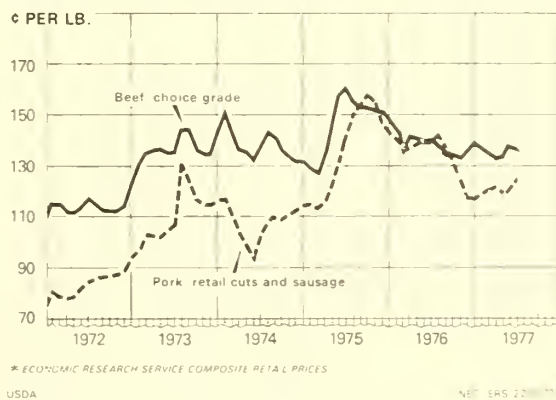
Corn (Farm price)	Choice steers, \$/cwt.					
	30	35	40	45	50	55
\$/bu.	Feeder steers, \$/cwt.					
1.75	17	26	34	43	52	61
2.00	15	24	33	41	50	59
2.25	13	22	31	39	48	57
2.50	11	20	29	38	46	55
2.75	9	18	27	36	44	53
3.00	8	16	25	34	43	51
3.25	6	14	23	32	41	49
3.50	4	13	21	30	39	48

¹ Assuming all other costs at July 1977 levels. (See corn belt cattle feeding table).

CARLOT MEAT PRICES, MIDWEST MARKETS



RETAIL MEAT PRICES*



* ECONOMIC RESEARCH SERVICE COMPOSITE RETAIL PRICES

USDA

NE ER 22 11/8

Federally inspected cattle slaughter

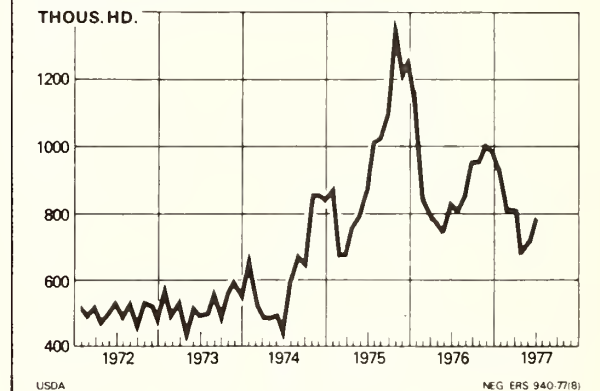
Week ended 1977 ¹	Cattle		Steers		Cows	
	1976		1977		1976	
	Thou.	Thou.	Thou.	Thou.	Thou.	Thou.
Jan. 8	818	731	313	322	251	192
15	837	763	328	344	253	188
22	795	803	327	346	225	212
29	755	800	301	333	222	210
Feb. 5	788	776	336	350	210	188
12	795	789	343	356	189	195
19	717	754	308	333	184	187
26	730	718	318	329	178	172
Mar. 5	742	731	330	339	166	173
12	778	735	362	346	154	168
19	775	726	356	342	168	162
26	765	725	356	342	159	158
Apr. 2	751	714	358	354	146	144
Apr. 9	732	695	331	342	157	135
16	725	700	334	343	157	147
23	644	725	282	354	155	155
30	644	738	275	357	168	162
May 7	687	726	315	358	157	151
14	735	715	345	345	163	152
21	764	719	353	348	179	160
28	766	742	354	365	172	155
June 4	672	648	314	330	143	133
11	762	780	354	385	180	174
18	727	775	345	382	169	174
25	711	737	321	372	173	147
July 2	737	769	356	380	167	171
July 9	644	644	310	317	141	138
16	767	783	353	370	196	185
23	759	727	360	345	178	162
30	739	728	350		166	
Aug. 6	744	747	359		164	
13	780		365		182	
20	785		363		184	
27	776		351		188	
Sept. 3	778		339		199	
Sept. 10	700		316		165	
17	826		368		204	
24	814		359		217	
Oct. 1	786		347		197	
Oct. 8	775		353		181	
15	794		348		200	
22	832		344		230	
29	758		309		212	
Nov. 5	756		307		213	
12	784		321		231	
19	742		297		222	
26	609		264		164	
Dec. 3	747		300		218	
Dec. 10	793		328		225	
17	730		296		211	
24	585		248		162	
31	615		277		157	

¹ Corresponding date: 1976, January 10.

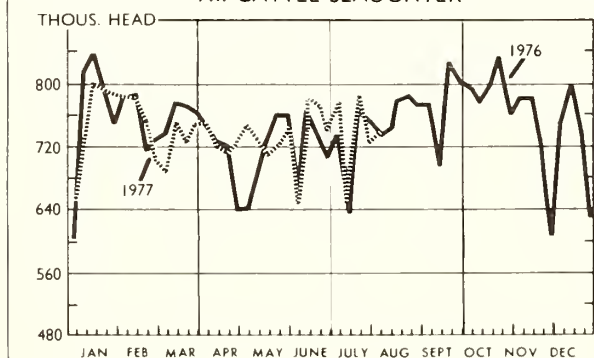
Utility cow prices per 100 pounds, Omaha

Month	1972	1973	1974	1975	1976	1977
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
January	22.61	26.67	31.45	16.82	23.26	22.95
February ...	23.80	31.43	32.65	18.18	25.90	23.88
March	24.73	33.90	31.76	19.45	27.45	26.67
April	24.70	33.59	30.50	21.67	30.72	27.63
May	25.51	34.26	27.67	23.55	30.24	26.57
June	26.00	33.09	26.39	23.32	27.47	25.64
July	26.22	34.22	24.22	22.00	25.80	25.23
August	26.18	37.56	24.54	21.29	25.10	
September ..	26.57	34.58	22.56	22.45	22.90	
October	26.19	33.68	19.68	22.01	22.72	
November	24.98	30.71	17.62	20.73	20.59	
December ...	25.02	30.14	17.67	21.64	21.60	
Average ...	25.21	32.82	25.56	21.09	25.31	

COMMERCIAL COW SLAUGHTER



F.I. CATTLE SLAUGHTER



U.S. DEPARTMENT OF AGRICULTURE

LIVESTOCK DIVISION AMS

AVERAGE DRESSED WEIGHT OF CATTLE



Veal Supplies and Prices

	Commercial			Per capita ¹	Prices		
	Slaught- ter	Av. dr. wt.	Pro- duc- tion		Retail	Choice vealers So. St. Paul	Farm
	1,000 head	lb.	Mil lb.	lb.	Cents per lb.	\$/cwt.	\$/cwt.
1972							
I ...	885	133	118	.6	147.0	51.07	40.90
II ...	699	149	104	.5	152.3	55.57	42.80
III ...	718	146	105	.5	157.1	57.65	45.23
IV ...	751	136	102	.6	159.2	56.02	46.83
Year ..	3,053	141	429	2.2	153.9	55.09	44.70
1973							
I ...	685	140	96	.5	169.4	63.00	53.63
II ...	489	155	76	.4	181.0	63.43	58.00
III ...	475	154	73	.4	186.8	67.68	62.87
IV ...	600	133	80	.5	189.5	62.21	53.53
Year ..	2,249	145	325	1.8	181.7	64.08	56.60
1974							
I ...	614	135	83	.5	197.3	63.17	52.33
II ...	585	144	84	.4	193.9	54.38	42.50
III ...	762	159	121	.6	194.4	43.96	33.47
IV ...	1,026	150	154	.8	190.7	37.02	26.13
Year ..	2,987	148	442	2.3	194.1	49.63	35.20
1975							
I ...	1,068	155	166	.9	183.4	38.68	24.40
II ...	1,137	160	182	.9	182.1	42.18	28.37
III ...	1,449	160	232	1.2	182.1	37.56	26.67
IV ...	1,555	159	247	1.2	177.0	43.33	28.30
Year ..	5,209	159	827	4.2	181.1	40.44	27.20
1976							
I ...	1,370	150	206	1.1	173.8	50.84	33.13
II ...	1,195	149	178	.8	174.3	44.01	38.23
III ...	1,349	152	205	1.0	174.9	38.62	34.00
IV ...	1,436	156	224	1.1	170.1	47.24	32.63
Year ..	5,350	152	813	4.0	173.3	45.18	34.10
1977							
I ...	1,440	149	211	1.0	177.7	54.75	35.30
II ...	1,306	142	186	.9	178.9	53.13	37.53
III ...							
IV ...							
Year ..							

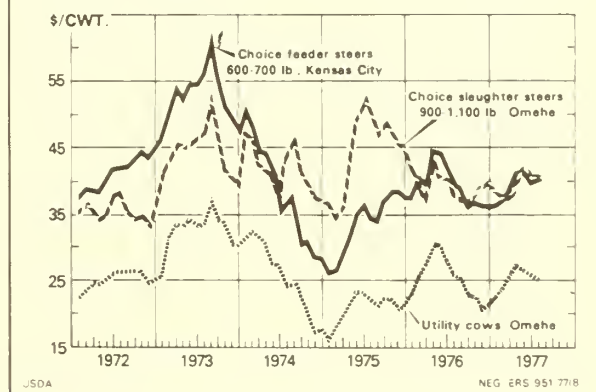
¹ Total, including farm production.

Feeder cattle prices per 100 pounds, Kansas City

Month	Choice feeder steers 600-700 lbs.			Choice feeder steer calves ¹		
	1975	1976	1977	1975	1976	1977
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Jan.	26.45	37.46	36.49	25.55	37.47	37.99
Feb.	26.96	40.42	37.86	26.29	41.40	41.69
Mar.	28.75	39.69	38.95	29.14	44.01	44.36
Apr.	31.69	44.62	41.81	31.45	47.01	45.72
May	35.50	44.21	41.72	34.66	47.58	45.20
June	36.81	42.83	39.90	35.82	44.81	42.46
July	34.70	39.18	40.64	32.58	40.64	43.14
Aug.	34.34	38.94		31.70	41.13	
Sept.	37.59	36.18		35.15	38.18	
Oct.	38.09	36.72		36.04	39.81	
Nov.	38.26	36.26		36.26	38.46	
Dec.	37.83	36.23		35.94	38.22	
Av.	33.91	39.40		32.55	41.56	

¹ 400-500 lbs.

CATTLE PRICES



COMMERCIAL CALF SLAUGHTER

THOUS. HD.



Choice steer prices per 100 pounds, Omaha¹

Month	1972	1973	1974	1975	1976	1977
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	35.63	40.65	47.14	36.34	41.18	38.38
February ...	36.32	43.54	46.38	34.74	38.80	37.98
March	35.17	45.65	42.85	36.08	36.14	37.28
April	34.52	45.03	41.53	42.80	43.12	40.08
May	35.70	45.74	40.52	49.48	40.62	41.98
June	37.91	46.76	37.98	51.82	40.52	40.24
July	38.38	47.66	43.72	50.21	37.92	40.94
August	35.70	52.94	46.62	46.80	37.02	
September ..	34.69	45.12	41.38	48.91	36.97	
October	34.92	41.92	39.64	47.90	37.88	
November ...	33.59	40.14	37.72	45.23	39.15	
December ...	36.85	39.36	37.20	45.01	39.96	
Average	35.78	44.54	41.89	44.61	39.11	

¹ 900-1,100 lb.

Table 3—Corn Belt Cattle Feeding

Selected expenses at current rates¹

Purchased during Marketed during	Apr. 76 Oct. 76	May Nov.	June Dec.	July Jan. 77	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. 77 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 78
	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head
Expenses:																
600 lb. feeder steer	267.72	265.26	256.98	235.08	233.64	217.08	220.32	217.56	217.38	218.94	227.16	233.70	250.86	250.32	239.40	243.84
Transportation to feedlot (400 miles)	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	110.70	118.80	123.75	127.35	117.90	117.90	103.50	90.90	101.70	105.30	104.85	104.85	104.40	99.45	94.50	86.40
Silage (1.7 tons)	34.80	36.40	37.40	38.15	36.50	37.77	35.33	33.37	36.40	38.05	38.39	38.45	36.75	34.63	32.71	30.97
Protein supplement (270 lb.)	23.49	24.03	27.27	28.35	26.60	28.35	27.14	27.14	28.48	29.02	28.76	29.84	31.86	32.40	31.05	27.81
Hay (400 lb.)	9.90	9.95	10.00	10.05	10.15	11.05	11.25	11.55	12.25	12.95	13.25	13.30	12.15	11.30	10.60	10.45
Labor (4 hours)	10.24	10.32	10.32	10.32	9.56	9.56	9.56	9.84	9.84	9.84	10.24	10.24	10.24	10.72	10.72	10.72
Management ²	5.12	5.16	5.16	5.16	4.78	4.78	4.78	4.92	4.92	4.92	5.12	5.12	5.12	5.36	5.36	5.36
Vet medicine ³	3.06	3.06	3.09	3.10	3.09	3.09	3.06	3.06	3.09	3.16	3.19	3.22	3.25	3.27	3.25	3.24
Interest on purchase (6 mo.)	12.05	11.94	11.56	10.58	10.51	9.77	9.91	9.79	9.78	9.85	10.22	10.52	11.29	11.26	10.77	10.97
Power, equip, fuel, shelter, depreciation ³	14.27	14.24	14.40	14.47	14.40	14.40	14.29	14.29	14.40	14.75	14.88	15.02	15.17	15.23	15.17	15.10
Death loss (1% of purchase) Transportation (100 miles)	2.68	2.65	2.57	2.35	2.34	2.18	2.20	2.18	2.17	2.19	2.27	2.34	2.51	2.50	2.39	2.44
Marketing expenses	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Miscellaneous & indirect costs ³	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Total	511.14	518.91	519.67	502.16	486.64	473.10	458.46	441.72	457.58	466.29	475.71	484.03	501.10	493.97	473.42	464.77
	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.
Selling price/cwt. required to cover feed and feeder costs (1050 lb.)	42.53	43.28	43.37	40.85	40.46	39.25	37.86	36.24	37.73	38.50	39.28	40.01	41.53	40.77	38.88	38.04
Selling price/cwt. required to cover all costs (1050 lb.)	48.68	49.42	49.49	47.82	46.35	45.06	43.66	42.07	43.58	44.41	45.31	46.10	47.72	47.04	45.09	44.26
Feed cost per 100 lb. gain	39.76	42.04	44.09	45.31	42.48	43.33	39.38	36.21	39.74	41.18	41.17	41.43	41.15	39.51	37.52	34.58
Choice steers, Omaha	37.88	39.15	39.06	38.38	37.98	37.28	40.08	41.98	40.24	40.94	41.17	41.43	41.15	39.51	37.52	34.58
Net margin/cwt.	-10.80	-10.27	-9.53	-9.44	-8.37	-7.78	-3.58	-0.09	-3.34	-3.47						
Prices																
Feeder steer Choice (600-700 lb.) Kansas City/cwt.)	44.62	44.21	42.83	39.18	38.94	36.18	36.72	36.26	36.23	36.49	37.86	38.95	41.81	41.72	39.90	40.64
Corn/bu. ⁴	2.46	2.64	2.75	2.83	2.62	2.62	2.30	2.02	2.26	2.34	2.33	2.33	2.32	2.21	2.10	1.92
Hay/ton ⁴	49.50	49.75	50.00	50.25	50.75	55.25	56.25	57.75	61.25	64.75	66.25	66.50	60.75	56.50	53.00	52.25
Corn silage/ton ⁵	20.47	21.41	22.00	22.44	21.47	22.22	20.78	19.63	21.41	22.38	22.58	22.62	21.62	20.37	19.24	18.22
32-36% Protein supp./cwt. ⁶	8.70	8.90	10.10	10.50	9.85	10.50	10.05	10.05	10.55	10.75	10.65	11.05	11.80	12.00	11.50	10.30
Farm Labor/hour ⁶	2.56	2.58	2.58	2.58	2.39	2.39	2.39	2.46	2.46	2.46	2.56	2.56	2.56	2.68	2.68	2.68
Interest annual rate	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Transportation rate/cwt. 100 mile .....	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses ⁸	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910=100)	651	650	657	660	657	657	652	652	657	673	679	685	692	695	692	689

¹ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level and locality of operation. ² Assumes one hour at twice the labor rate.³ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. ⁴ Average price received by farmers in Iowa and Illinois. ⁵ Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb. hay.⁶ Average price paid by farmers in Iowa and Illinois. ⁷ Converted from cents/mile for a 44,000 pound haul.⁸ Yardage plus commission fees at a midwest terminal market.

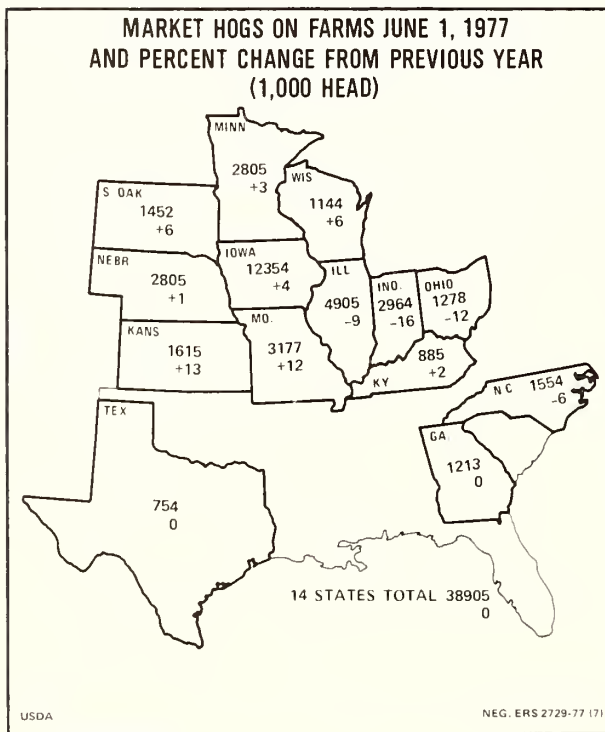
Table 4 Great Plains Custom Cattle Feeding¹

Purchased during Marketed during	Apr. 76 Oct. 76	May Nov.	June Dec.	July Jan. 77	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. 77 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 78
	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head
Expenses:																
600 lb. feeder steer	265.74	253.50	248.22	234.24	231.00	208.86	210.24	208.14	215.22	218.82	228.00	231.60	250.86	243.96	230.34	232.74
Transportation to feedlot (300 mi.) ..	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:																
milo (1,500 lb.)	68.25	69.75	72.75	75.60	68.10	66.15	60.90	57.60	57.30	58.50	59.10	58.05	58.05	56.10	51.90	51.90
corn (1,500 lb.)	73.50	78.45	81.75	82.50	75.75	70.50	66.30	62.40	64.05	66.90	66.00	64.80	65.55	64.50	58.35	56.55
cottonseed meal (400 lb.)	36.40	36.40	38.80	43.20	42.00	42.40	42.40	42.00	43.60	44.80	46.40	46.80	47.20	48.40	48.80	47.60
alfalfa hay (800 lb.)	37.80	38.40	38.00	39.20	39.00	39.40	39.00	38.80	38.60	36.80	40.00	39.40	39.60	38.00	37.20	38.00
Total feed cost	215.95	223.00	231.30	240.50	224.85	218.45	208.60	200.80	203.55	207.00	211.50	209.05	210.40	207.00	196.25	194.05
Feed handling & management																
charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder & 1/2 feed	17.75	17.34	17.28	16.84	16.31	15.11	14.55	14.27	14.66	14.91	15.44	15.55	16.47	16.07	15.19	15.25
Death loss (1.5% of purchase)	3.99	3.80	3.72	3.51	3.46	3.13	3.15	3.12	3.23	3.28	3.42	3.47	3.76	3.66	3.46	3.49
Marketing ²	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.
Total	534.39	528.60	531.48	526.05	506.58	476.51	467.50	457.29	467.62	474.97	489.32	490.63	512.45	501.65	476.20	476.49
	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.
Selling price required to cover³:																
feed and feeder cost (1,056 lb.) ..	45.61	45.12	45.41	44.96	43.17	40.46	39.66	38.73	39.66	40.32	41.62	41.73	43.68	42.70	40.40	40.42
all costs	50.61	50.06	50.33	49.82	47.97	45.12	44.27	43.30	44.28	44.98	46.34	46.46	48.53	47.50	45.09	45.12
Selling price \$/cwt. ⁴	38.40	40.10	41.10	38.40	38.36	37.91	41.17	43.35	40.87	41.20						
Net margin/cwt.	-12.21	-9.96	-9.23	-11.42	-9.61	-7.21	-3.10	-0.05	-3.41	-3.78						
Costs per 100 lb. gain:																
Variable costs less interest	48.79	50.16	51.80	53.60	50.46	49.12	47.15	45.58	46.16	46.86	47.78	47.30	47.63	46.93	44.74	44.31
Feed costs	43.19	44.60	46.26	48.10	44.97	43.69	41.72	40.16	40.71	41.40	42.30	41.81	42.08	41.40	39.25	38.81
	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.
Unit Prices:																
Choice feeder steer 600-700 lb.	44.29	42.25	41.37	39.04	38.50	34.81	35.04	34.69	35.87	36.47	38.00	38.60	41.81	40.66	38.39	38.79
Amarillo \$/cwt.																
Transportation rate \$/cwt/100																
miles ⁵ .....	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee \$/cwt. ....	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo \$/cwt. ⁶	4.55	4.65	4.85	5.04	4.54	4.41	4.06	3.84	3.82	3.90	3.94	3.87	3.87	3.74	3.46	3.46
Corn \$/cwt. ⁶	4.90	5.23	5.45	5.50	5.05	4.70	4.42	4.16	4.27	4.46	4.40	4.32	4.37	4.30	3.89	3.77
Cottonseed meal \$/cwt. ⁷	9.10	9.10	9.70	10.80	10.50	10.60	10.60	10.50	10.90	11.20	11.60	11.70	11.80	12.10	12.20	11.90
Alfalfa hay \$/ton ⁸	94.50	96.00	95.00	98.00	97.50	98.50	97.50	97.00	96.50	92.00	100.00	98.50	99.00	95.00	93.00	95.00
Feed handling & management																
charge \$/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25

¹ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lb in 180 days at 2.8 lb. per day with a feed conversion of 8.4 lb. per pound gain. ² Most cattle sold F.O.B. the feedlot with 4 percent shrink. ³ Sale weight 1,056 pounds (1,100 pounds less 4 percent shrink). ⁴ Choice slaughter steers, 900-1,100 lb., Texas-New Mexico direct. ⁵ Converted from cents per mile for a 44,000 pound haul. ⁶ Texas Panhandle elevator price plus \$.15/cwt. handling and transportation to feed lots. ⁷ Average prices received by farmers in Texas. ⁸ Average prices received by farmers in Texas plus \$30/ton handling and transportation to feedlots.

HOGS

Hog producers are expanding their operations in response to a profitable first half and an encouraging outlook for the balance of this year. The June 1 inventory of all hogs and pigs was little changed from the previous year. But a 2-percent buildup in the breeding inventory was reported. Producers' intentions point to a 5-percent increase in the June-November pig crop. While the increase could be greater, a pig crop only as large as intentions would likely result in a 4- to 5-percent increase in the December 1 inventory of all hogs and pigs. If grain prices continue to decline seasonally into the harvest period, gilts added to the breeding herd may increase that inventory by 6 to 8 percent. The inventory of market hogs would be increased only slightly less than the total inventory. The increase in slaughter through the first half of 1978 would exceed 5 percent. A larger than indicated June-November pig crop could result in slaughter up near a tenth.



Based on July 1 crop production estimates, corn prices this fall and winter could be at or near the loan level. The hog/corn ratio would hold near 20 to 1. While the prospective price relationship between cash grain and hogs would provide a fairly clear incentive to expand hog production, immediate increases in production may be limited to excess capacity in the industry. Hog production has trended toward fewer and larger units. With substantial capital costs involved in hog production, there are fewer grain producers who will enter the hog business when returns

from raising feed grains are low and exit the industry when hogs are unprofitable. For many large producers to significantly increase production would require additional capital outlay for facilities. As a result, changes in production come about less quickly. Continued favorable hog prices and another large corn crop likely will prompt hog producers to expand further. The increase in farrowings during the first half of 1978 may be 8 to 10 percent. A further increase in farrowings during the second half of 1978 is likely. Slaughter during the second half of the year will be drawn largely from the December-May pig crop. The implied increase in second half slaughter would boost the 1978 total to 86 to 86½ million head, up about 10 percent from the 77½ million head projected for this year.

At the projected level, slaughter in 1978 would exceed that for 1974 when the previous upturn in the hog cycle was aborted due to sharply higher grain prices. But 8 to 10 percent fewer hogs would move to slaughter than during 1971 when slaughter was record large. Heavier carcass weights would substantially narrow production differentials between the previous record and 1978.

Second Half 1977 Slaughter Likely Unchanged From Year Earlier, Prices To Average Higher

Hog slaughter through the second half of 1977 should match that of a year ago, as little change was reported in the June 1 inventory of market hogs. An increase of less than 2 percent is expected in the summer slaughter total, while a 3- to 4-percent decline is in prospect for the fall. Excluding the week of July 4, hog slaughter under Federal inspection averaged above 1.3 million head per week during the July-September quarter last year. In late September, weekly slaughter reached 1.6 million head. Larger weekly totals were reported during July this year, but the heaviest weekly kill in late summer may not exceed 1.5 million.

The March-May pig crop, as well as the inventory of market hogs weighing under 60 pounds, was down 1 percent from a year ago. This would suggest year-to-year reductions in slaughter during the fourth quarter. With a continued buildup in the breeding herd likely, reductions in slaughter will exceed that for the pig crop. A commercial total of 20½ to 21 million head is expected. The weekly kill under Federal inspection would then average near 1.5 million head, down 30 to 40 thousand head from the 1976 weekly fourth quarter average.

Prices will be stronger than a year ago for the balance of 1977. This summer's peak in the hog market was below that of a year ago, but the sharp drop in prices noted last summer is unlikely this year. Little difference in the quarterly averages is expected.

Although declining from summer levels, prices for the fall quarter may average \$3 to \$5 per 100 pounds above the \$34 for October-December 1976.

Retail pork prices this summer, while increasing sharply from the second quarter average, will hold below the 1976 third quarter average by perhaps 2 to 3 percent. For the fall quarter, the seasonal decline in prices will be limited, while

Table 5- Hogs and Pigs Balance Sheet

Year	Dec.1 inventory ¹	Dec.-May pig crop ¹	Total supply	Commercial slaughter Dec.-May	Other disappearance ²	June 1 inventory	June-Nov. pig crop	Total supply	Commercial slaughter June-Nov.	Other disappearance ²
1,000 hd.										
1964	62,060	47,682	109,742	43,776	6,189	59,777	39,862	99,639	39,285	4,248
1965	56,106	42,526	98,632	40,579	5,085	52,968	36,415	89,383	35,081	3,783
1966	50,519	45,471	95,990	35,331	4,462	56,197	42,132	98,329	37,238	3,966
1967	57,125	48,117	105,242	41,803	4,073	59,366	43,551	102,917	40,381	3,718
1968	58,818	49,077	107,895	43,093	4,271	60,531	45,078	105,609	41,652	3,128
1969	60,829	46,521	107,350	44,015	4,608	58,727	42,155	100,882	40,287	3,549
1970	57,046	52,292	109,338	40,749	3,780	64,809	49,629	114,438	43,326	3,679
1971	67,433	52,589	120,022	49,087	5,074	65,861	45,923	111,784	45,908	3,369
1972	62,507	47,654	110,161	45,108	4,336	60,717	43,174	103,891	41,203	3,508
1973	59,180	46,195	105,375	40,292	5,112	59,971	42,004	101,975	36,878	3,991
1974	61,106	45,075	106,181	41,183	5,561	59,437	38,879	98,316	40,194	3,060
1975	55,062	35,534	90,596	37,854	4,577	48,165	35,803	83,968	31,666	2,700
1976	49,602	42,228	91,830	34,689	3,091	54,050	42,354	96,404	38,053	3,266
1977 ³	55,085	43,091	98,176	39,429	4,647	54,100	³ 44,421	98,521	38,000	3,300
1978 ⁴	57,221									

¹ December previous year. ² Includes imports, exports, death loss, farm slaughter, etc. ³ Intentions. ⁴ Forecast.

Fall pig crop and hog slaughter

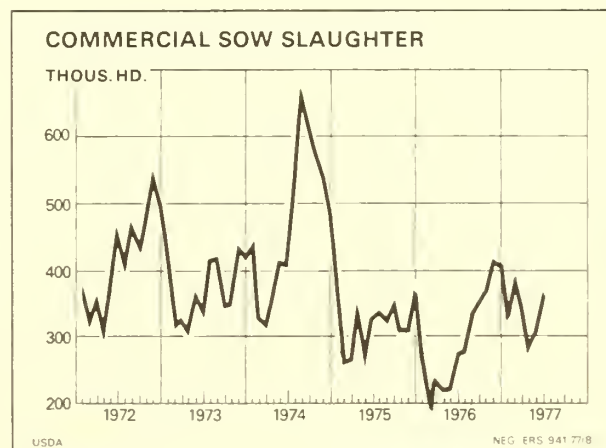
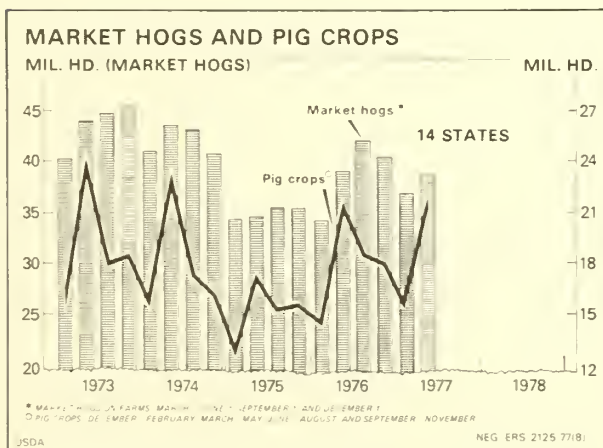
	June-Nov. pig crop	Jan.-June Commercial slaughter	Percent of pig crop slaughtered
	Thous. head	Thous. head	Percent
1963/64 ..	43,307	41,975	96.9
1964/65 ..	39,862	38,368	96.3
1965/66 ..	36,415	34,998	96.1
1966/67 ..	42,132	40,558	96.3
1967/68 ..	43,551	41,833	96.1
1968/69 ..	45,078	42,653	94.6
1969/70 ..	42,155	39,927	94.7
1970/71 ..	49,629	47,865	96.4
1971/72 ..	45,923	43,650	95.1
1972/73 ..	43,174	39,703	92.0
1973/74 ..	42,004	41,164	98.0
1974/75 ..	38,879	36,567	94.1
1975/76 ..	35,803	34,251	95.7
1976/77 ..	42,354	¹ 38,400	90.7

¹ Preliminary.

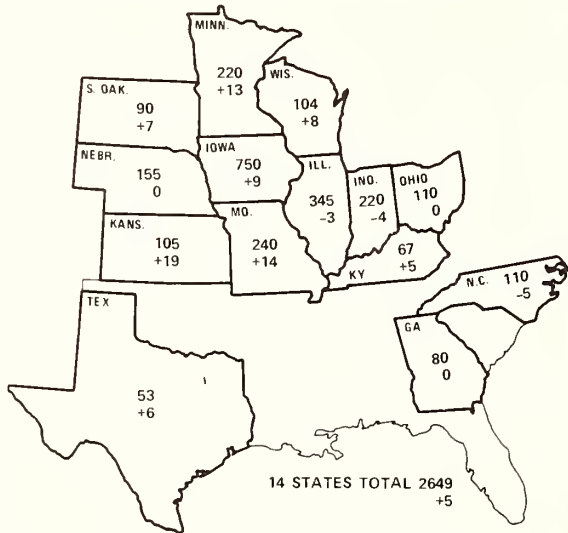
Spring pig crop and hog slaughter

	Dec.-May ¹ pig crop	July-Dec. Commercial slaughter	Percent of pig crop slaughtered
	Thous. head	Thous. head	Percent
1964	47,682	41,043	86.1
1965	42,526	35,416	83.3
1966	45,471	39,013	85.8
1967	48,117	41,566	86.4
1968	49,077	43,327	88.3
1969	46,521	41,186	88.5
1970	52,292	45,890	87.8
1971	52,589	46,573	88.6
1972	47,654	41,057	86.2
1973	46,195	37,092	80.3
1974	45,075	40,598	90.1
1975	35,534	32,119	90.4
1976	42,228	39,533	93.6
1977 ²	43,091	² 39,300	91.2

¹ December, previous year. ² Forecast.



**SOWS FARROWING JUNE-AUGUST 1977
AND PERCENT CHANGE FROM PREVIOUS YEAR**



USDA

NEG. ERS 823-77 (7)

***SOWS FARROWING SEPTEMBER-NOVEMBER 1977
AND PERCENT CHANGE FROM PREVIOUS YEAR**



* INTENTIONS

USDA

NEG. ERS 825-77 (7)

**Feeder pig prices consistent with break-even all costs,
given corn and market hog prices¹**

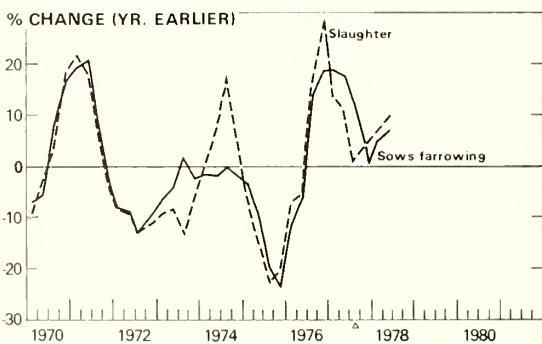
Corn (Farm price)	Market hogs, \$/cwt.					
	30	35	40	45	50	55
\$bu.	Feeder pigs, \$ per hd.					
1.75	12	23	34	45	56	67
2.00	10	21	32	43	54	65
2.25	7	18	29	40	51	62
2.50	4	15	26	37	48	59
2.75	1	12	23	34	45	56
3.00	—	10	21	32	43	54
3.25	—	7	18	29	40	51
3.50	—	4	15	26	37	48

¹ Assuming protein and other costs at July 1977 levels. Includes \$4.38 in fixed costs. (See hog feeding table).

Hog-corn price ratio, Omaha basis

Month	1973	1974	1975	1976	1977
January . . .	21.5	14.8	12.6	18.6	16.4
February . .	23.3	13.4	14.1	18.6	16.8
March	25.4	12.5	14.3	17.7	15.9
April	23.4	12.1	14.1	18.3	16.0
May	19.5	10.2	16.4	17.7	18.8
June	16.9	10.0	17.9	17.6	20.7
July	19.9	11.2	19.4	16.8	23.8
August	20.8	10.5	18.6	16.2	
September . .	18.4	10.3	20.7	15.1	
October . . .	17.8	10.6	21.2	13.7	
November . .	16.9	11.0	19.4	14.4	
December . .	15.7	11.8	18.5	16.4	
Average . . .	19.3	11.3	16.9	16.5	

SOWS FARROWING AND COMMERCIAL HOG SLAUGHTER*

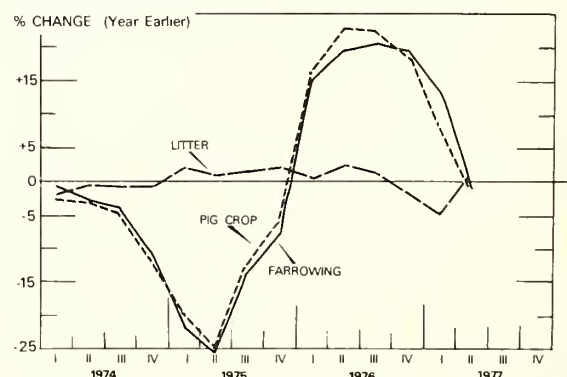


* FARROWINGS 2 QUARTERS EARLIER
◊ FORECAST

USDA

NEG. ERS 2300 77(8)

SOWS FARROWING, PIG CROP, & PIGS PER LITTER



USDA/ERS

July 1977

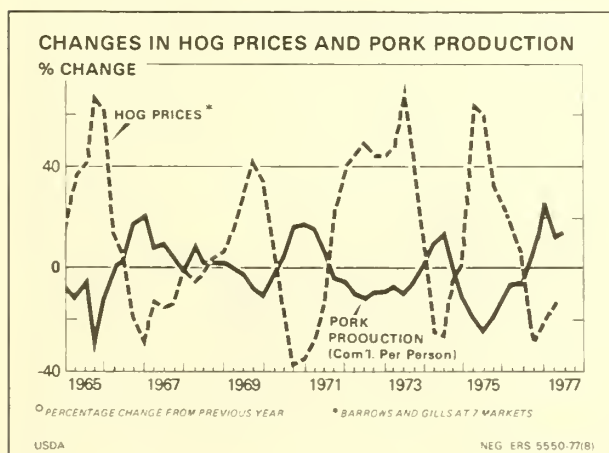
Table 6—Pork supplies and prices

Year	Estimated commercial slaughter ¹				Average dressed weight	Commercial production	Per capita consumption ²	Prices		
	Barrows and gilts	Sows	Boars	Total				Retail	Barrows and gilts 7 markets	Farm
	1,000 head				Lb.	Mil lb.	Lb.	Cents per lb.	\$/cwt.	\$/cwt.
1974: I ...	18,887	1,075	187	20,149	168	3,378	16.7	115.2	38.40	38.13
II ...	19,659	1,174	181	21,014	168	3,531	17.2	99.3	28.00	27.03
III ...	17,699	1,802	204	19,705	165	3,243	16.1	107.4	36.59	34.63
IV ...	19,124	1,588	182	20,894	164	3,431	16.6	111.0	39.06	37.43
Year	75,369	5,639	754	81,762	166	13,583	66.6	108.2	35.12	34.31
1975: I ...	17,711	886	162	18,759	162	3,044	15.0	114.4	39.35	38.43
II ...	16,704	939	165	17,808	164	2,923	14.1	123.1	46.11	43.93
III ...	14,151	1,003	153	15,307	164	2,512	12.3	149.2	58.83	56.20
IV ...	15,659	982	172	16,813	169	2,835	13.4	153.4	52.20	51.67
Year	64,225	3,810	652	68,687	165	11,314	54.8	135.0	48.32	47.56
1976: I ...	16,605	694	132	17,431	166	2,896	13.9	141.5	47.99	47.10
II ...	15,962	718	141	16,821	165	2,782	13.2	138.5	49.19	47.93
III ...	16,872	964	147	17,983	164	2,951	14.1	137.4	43.88	43.30
IV ...	20,215	1,184	150	21,549	167	3,590	16.8	119.8	34.25	33.47
Year	69,654	3,560	570	73,784	166	12,219	58.0	134.3	43.11	42.95
1977: I ...	18,486	1,061	211	19,758	166	3,276	15.6	120.6	39.08	38.13
II ...	17,588	950	211	18,749	170	3,186	14.9	121.8	40.87	39.53
III ...										
IV ...										
Year										

¹ Classes estimated. ² Total, including farm production.

an increase of about 10 percent over last year's fall average is likely. This follows a 15-percent decline in retail pork prices through the first 6 months of the year.

The farmer's share of the total retail value of pork production through June was less than that for the first 6 months of last year. A greater share of the total value of production likely will go to producers during the second half of this year. Producers received only 50 percent of the retail value of production during the fall quarter of 1976. This was the lowest percentage since the spring of 1974. Through midyear, slightly less than 60 percent of the total value has gone to producers. This may slip below 55 percent during the final 3 months of 1977.



Feeder Pig Prices Peak

In early July, 40- to 50-pound feeder pigs at Southern Missouri markets traded at \$40 per head. Prices are expected to trend lower throughout the second half of this year. Reduced feed costs will limit price declines, but lower slaughter hog prices will be the dominant market factor. Prices this summer may average in the middle \$30's, down about \$5 per head from the spring quarter average. With the seasonal upturn in slaughter this fall and corresponding lower slaughter hog prices, the feeder pig market could slip to around \$30 per head.

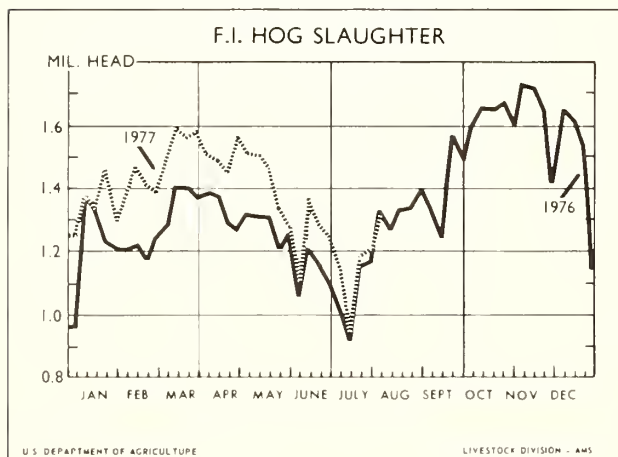
Hog prices per 100 pounds, 7 markets¹

Month	Barrows and gilts			Sows		
	1975	1976	1977	1975	1976	1977
	DoL	DoL	DoL	DoL	DoL	DoL
Jan.	38.93	48.40	39.52	35.01	40.48	33.58
Feb.	39.61	48.85	40.18	36.52	44.03	35.84
Mar.	39.52	46.71	37.53	36.58	42.24	34.26
Apr.	40.69	47.89	36.97	37.00	42.88	34.09
May	46.44	48.89	41.79	41.12	43.20	36.99
June	51.19	50.80	43.86	44.28	43.21	37.84
July	57.17	48.26	45.76	49.74	40.83	38.63
Aug.	58.10	44.00		51.89	37.98	
Sept.	61.23	39.39		54.56	33.81	
Oct.	58.52	32.66		51.94	26.87	
Nov.	49.74	32.05		42.25	23.64	
Dec.	48.33	38.05		38.50	28.30	
Av.	48.32	43.11		43.65	35.92	

Federally Inspected Hog Slaughter

Week ended 1977 ¹	1973	1974	1975	1976	1977
	Thou.	Thou.	Thou.	Thou.	Thou.
Jan. 8	1,559	1,566	1,588	1,407	1,389
15	1,527	1,577	1,432	1,326	1,333
22	1,555	1,598	1,385	1,227	1,495
29	1,342	1,328	1,450	1,203	1,344
Feb. 5	1,488	1,185	1,424	1,208	1,356
12	1,471	1,541	1,419	1,234	1,519
19	1,372	1,403	1,340	1,168	1,471
26	1,525	1,564	1,352	1,255	1,379
Mar. 5	1,542	1,554	1,453	1,273	1,534
12	1,522	1,555	1,395	1,422	1,632
19	1,596	1,493	1,393	1,403	1,568
26	1,354	1,637	1,315	1,383	1,609
Apr. 2	1,430	1,589	1,404	1,388	1,518
Apr. 9	1,352	1,519	1,439	1,387	1,502
16	1,441	1,602	1,478	1,290	1,488
23	1,454	1,515	1,401	1,271	1,576
30	1,612	1,547	1,368	1,321	1,522
May 7	1,561	1,678	1,301	1,309	1,527
14	1,412	1,534	1,221	1,316	1,439
21	1,433	1,626	1,221	1,197	1,336
28	1,263	1,392	1,101	1,257	1,283
June 4	1,397	1,621	1,294	1,038	1,112
11	1,378	1,596	1,254	1,199	1,383
18	1,282	1,343	1,163	1,155	1,298
25	1,319	1,285	1,132	1,103	1,253
July 2	1,016	984	853	1,024	1,164
July 9	1,155	1,313	1,061	941	949
16	1,037	1,242	1,100	1,159	1,232
23	1,306	1,326	1,055	1,181	1,214
30	1,267	1,476	1,027	1,265	1,287
Aug. 6	1,343	1,443	1,051	1,342	1,304
13	1,214	1,454	1,157	1,344	
20	1,127	1,377	1,057	1,332	
27	1,116	1,482	1,169	1,401	
Sept. 3	1,107	1,347	996	1,350	
Sept. 10	1,303	1,628	1,267	1,227	
17	1,467	1,622	1,258	1,579	
24	1,469	1,600	1,198	1,508	
Oct. 1	1,451	1,585	1,188	1,593	
Oct. 8	1,529	1,602	1,159	1,647	
15	1,439	1,541	1,193	1,660	
22	1,309	1,491	1,163	1,669	
29	1,518	1,475	1,194	1,599	
Nov. 5	1,519	1,583	1,275	1,729	
12	1,561	1,574	1,336	1,706	
19	1,243	1,594	1,376	1,646	
26	1,584	1,305	1,069	1,386	
Dec. 3	1,576	1,654	1,372	1,644	
Dec. 10	1,426	1,574	1,237	1,614	
17	1,509	1,492	1,219	1,522	
24	1,088	1,015	949	1,140	
31	1,203	1,014	970	1,206	

¹ Corresponding dates: 1973, January 13; 1974, January 12; 1975, January 11; 1976, January 10.



Hog prices, costs, and net margins¹

Year	Barrows & gilts 7 markets	Feed and Feeder	Break-even	Net margins
	\$ per cwt.	\$ per cwt.	\$ per cwt.	\$ per cwt.
1975				
January	38.93	31.33	37.85	+1.08
February	39.61	35.50	42.33	-2.72
March	39.52	32.99	39.75	-.23
April	40.69	34.72	41.65	-.96
May	46.44	35.27	42.29	+4.15
June	51.19	36.49	43.69	+7.50
July	57.17	37.31	44.64	+12.53
August	58.10	38.90	46.02	+12.08
September	61.23	39.15	46.32	+14.91
October	58.52	39.60	46.82	+11.70
November	49.74	39.58	46.90	+2.84
December	48.33	42.29	49.66	-1.33
1976				
January	48.40	47.31	55.12	-6.72
February	48.85	44.77	52.80	-3.95
March	46.71	39.81	47.56	-.85
April	47.89	37.87	45.48	+2.41
May	48.89	39.29	46.94	+1.95
June	50.80	41.23	49.15	+1.65
July	48.26	40.49	48.35	-.09
August	44.00	41.81	49.79	-5.79
September	39.39	39.96	47.74	-8.35
October	32.66	39.21	46.84	-14.18
November	32.05	36.20	43.57	-11.52
December	38.05	34.70	41.85	-3.80
1977				
January	39.52	33.60	40.65	-1.13
February	40.18	28.62	35.46	+4.72
March	37.53	27.23	34.14	+3.39
April	36.97	30.41	37.42	-.45
May	41.79	30.75	37.83	+3.96
June	43.86	34.91	42.43	+1.43
July	45.76	37.99	45.70	+.06
August		39.89	47.71	
September		39.25	47.21	
October		35.71	43.48	
November		34.15	41.96	
December				

¹ Selling price required to cover costs of feeding 40-50 lb. feeder pig to 220 lb. slaughter hog in Corn Belt.

HOG PRICES, COSTS AND NET MARGINS

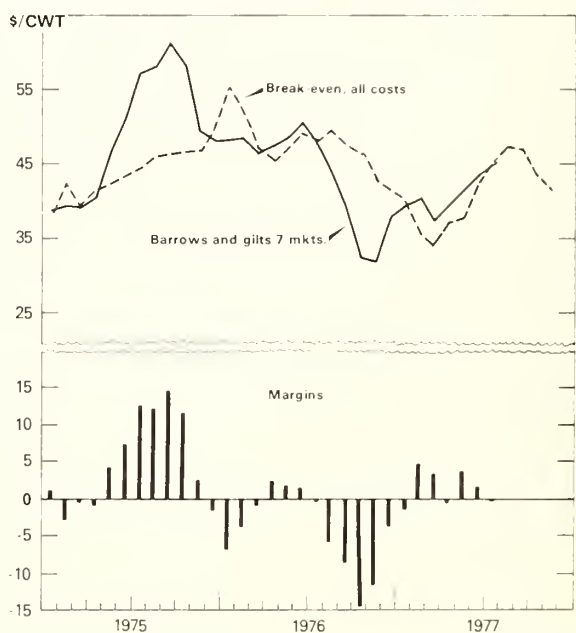


Table 7--Corn Belt Hog Feeding¹Selected costs at current rates²

Purchased during Marketed during	Apr. 76 Aug. 76	May Sept.	June Oct.	July Nov.	Aug. Dec.	Sept. Jan. 77	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. 77 May	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.
	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head
Expenses:																
40 lb. feeder pig	51.28	44.57	38.85	30.45	31.02	27.69	21.75	21.17	24.04	23.84	33.24	38.58	41.49	40.91	35.18	36.90
Corn (11 bu.)	27.06	29.04	30.25	31.13	28.82	28.82	25.30	22.22	24.86	25.74	25.63	25.63	25.52	24.31	23.10	21.12
Protein supplement (130 lb.)	13.65	14.30	17.16	18.07	16.51	17.42	15.92	16.51	18.00	18.07	17.94	19.37	20.74	21.12	20.28	17.10
Labor & management (1.3 hrs.)	6.66	6.71	6.71	6.71	6.21	6.21	6.21	6.40	6.40	6.40	6.66	6.66	6.66	6.97	6.97	6.97
Vet medicine ³	1.54	1.54	1.56	1.56	1.56	1.56	1.55	1.55	1.56	1.60	1.61	1.62	1.64	1.65	1.64	1.63
Interest on purchase (4 mo.)	1.54	1.34	1.17	.91	.93	.83	.65	.64	.72	.72	1.00	1.16	1.24	1.23	1.06	1.11
Power, equip, fuel, shelter, depreciation ³	3.75	3.74	3.78	3.80	3.78	3.78	3.76	3.76	3.78	3.88	3.91	3.95	3.99	4.00	3.99	3.97
Death loss (4% of purchase)	2.05	1.78	1.55	1.22	1.24	1.11	.87	.85	.96	.95	1.33	1.54	1.66	1.64	1.41	1.48
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscellaneous & indirect costs ³	.38	.38	.39	.39	.39	.39	.38	.38	.39	.40	.40	.40	.41	.41	.41	.41
Total	109.53	105.02	103.04	95.86	92.08	89.43	78.01	75.10	82.33	83.22	93.34	100.53	104.97	103.86	95.66	92.31
	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.
Selling price/cwt. required to cover feed and feeder costs (220 lb.)	41.81	39.96	39.21	36.20	34.70	33.60	28.62	27.23	30.41	30.75	34.91	37.99	39.89	39.25	35.71	34.15
Selling price/cwt. required to cover all costs (220 lb.)	49.79	47.74	46.84	43.57	41.85	40.65	35.46	34.14	37.42	37.83	42.43	45.70	47.71	47.21	43.48	41.96
Feed cost per 100 lb. gain	22.62	24.08	26.34	27.33	25.18	25.69	22.90	21.52	23.81	24.34	24.21	25.00	25.70	25.24	24.10	21.23
Barrows and gilts⁷	44.00	39.39	32.66	32.05	38.05	39.52	40.18	37.53	36.97	41.79	43.86	45.76				
Net margin/cwt.	-5.79	-8.35	-14.18	-11.52	-3.80	-1.13	+4.72	+3.39	-0.45	+3.96	+1.43	+0.06				
Prices:																
40 lb. feeder pig (So. Missouri)	51.28	44.57	38.85	30.45	31.02	27.69	21.75	21.17	24.04	23.84	33.24	38.58	41.49	40.91	35.18	36.90
Corn ⁴ /bu.	2.46	2.64	2.75	2.83	2.62	2.62	2.30	2.02	2.26	2.34	2.33	2.33	2.32	2.21	2.10	1.92
38-42% protein supp. ⁵ \$/cwt.	10.50	11.00	13.20	13.90	12.70	13.40	12.25	12.70	13.85	13.90	13.80	14.90	15.95	16.25	15.60	13.15
Labor and management ⁶ \$/cwt.	5.12	5.16	5.16	5.16	4.78	4.78	4.78	4.92	4.92	4.92	5.12	5.12	5.12	5.36	5.36	5.36
Interest rate (annual)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Transportation rate/cwt. (100 miles) ⁷	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses ⁸	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	651	650	657	660	657	657	652	652	657	673	679	685	692	695	692	689

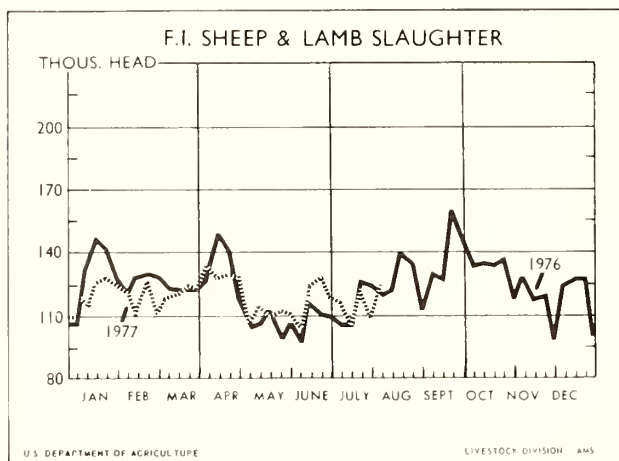
¹ Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. ² Represents only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. ³ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. ⁴ Average price received by farmers in Iowa and Illinois. ⁵ Average prices paid by farmers in Iowa and Illinois. ⁶ Assumes an owner-operator receiving twice the farm labor rate. ⁷ Converted to cents/cwt. from cents/mile for a 44,000 pound haul. ⁸ Yardage plus commission fees at a midwest terminal market.

SHEEP AND LAMBS

Commercial slaughter of sheep and lambs through June of this year totaled 3.2 million head, 2 percent fewer than were slaughtered through mid-1976. Spring slaughter increased both seasonally and with respect to a year ago, with gains of 8 and 9 percent, respectively. Lamb and mutton production through midyear was unchanged from 1976.

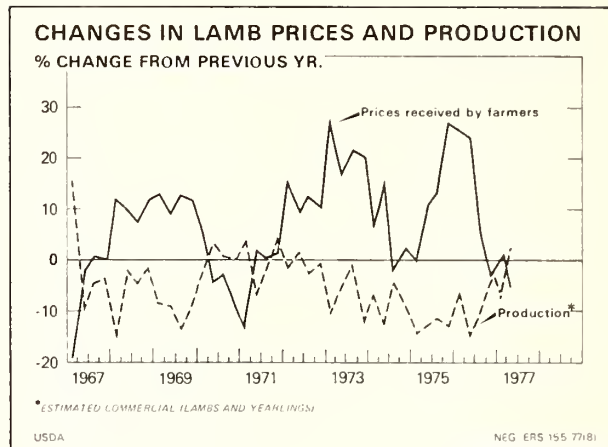
Accounting for the increase in carcass weights was both an increase in the slaughter of old crop fed lambs and cull breeding ewes. Poor range conditions last fall resulted in a larger than usual number of lambs being carried over this year on winter grazing. Also, more old crop lambs were placed on feed. Sheep slaughter this winter was up 15 percent and carcass weights averaged 5 pounds above that for the 1976 winter quarter.

The early 1977 crop lambs came to slaughter thinner and later than in recent years as dry conditions persisted. Heavy culling of stock sheep continued this spring, up 16 percent from a year ago and up 100 percent from the winter total. But these animals probably weighed little more than lambs. With milk fats accounting for a larger percentage of slaughter, weights were off sharply from the first quarter.



Third quarter slaughter of fat lambs may be down about 5 percent from last year. Slaughter of some lambs, usually as early spring lambs, has been delayed. Many lambs usually slaughtered as range-finished in late summer or early fall have gone on an accelerated grain-finishing program this year. This will augment supplies in early summer. This would more evenly distribute slaughter through the summer months. Slaughter weights should average higher, as a higher proportion likely will be grain finished. Total production should hold near that for 1976.

An unusually large carryover into 1978 of this year's lamb crop is likely. Drought conditions in the West point to lighter lambs this fall. And with lower grain prices, a larger percent will go on feed than in recent years. Slaughter for the fall quarter may be off 15 percent from a year ago. The drop in lamb and mutton production may be less than half that for



slaughter. For 1977, slaughter may total near 6½ million head, a reduction of 3 to 4 percent.

1977 Lamb Crop Down

The 1977 lamb crop is estimated at 8½ million head, down 4 percent from a year earlier. This corresponds with a 6-percent reduction in the number of ewes 1 year old and older January 1. The lambing rate (number of lambs saved per 100 ewes 1 year old and older January 1) was 96, compared with 95 last year.

Stock sheep numbers will continue to decline in 1977, although at a more modest rate than in recent years. Ewe lambs under 1 year old on January 1 were up 4 percent, but slaughter to date argues against any buildup in the breeding flock. Also, poor range conditions will likely force some old ewes to market that would otherwise be retained.

Feeders To Move at a Premium To Fat Lambs

Lower grain prices and lighter weights promise strong feeder lamb prices this fall. Choice slaughter lamb prices above \$50 are unlikely before late fall, but grain prices at the loan rate during harvest could push feeder lamb prices to the mid-\$50 range.

Choice lamb prices per 100 pounds, San Angelo

Month	Slaughter lambs			Feeder lambs		
	1975	1976	1977	1975	1976	1977
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Jan.	38.25	49.25	52.00	34.12	48.38	53.56
Feb.	39.31	49.00	51.25	35.31	49.69	54.81
Mar.	45.88	56.25	55.70	43.50	56.30	56.25
Apr.	46.65	62.95	59.62	43.65	62.71	59.19
May	47.62	62.12	55.56	43.00	59.56	51.38
June	46.06	50.81	52.10	39.69	48.56	46.15
July	45.25	47.81	50.42	40.25	49.38	47.33
Aug.	40.75	39.92		38.75	45.94	
Sept.	43.50	42.88		41.25	46.65	
Oct.	44.50	44.25		42.62	47.31	
Nov.	46.83	45.50		46.33	49.67	
Dec.	48.75	47.69		48.38	51.19	
Av.	44.45	49.87		41.40	51.28	

Table 8—Balance sheet for sheep and lambs, United States, 1960 to date

Year	On farms Jan. 1	Lamb crop	Net exports	Slaughter	Deaths	Adjustment factor	On farms Dec. 31
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1960	33,170	21,012	-13	16,240	4,590	-640	32,725
1961	32,725	20,782	+27	17,537	4,499	-475	30,969
1962	30,969	19,712	+16	17,168	4,437	+116	29,176
1963	29,176	18,516	+28	16,147	4,157	-244	27,116
1964	27,116	16,994	+10	14,895	4,062	-16	25,127
1965	25,127	16,312	+6	13,300	3,910	+511	24,734
1966	24,734	15,881	+51	13,003	3,614	+6	23,953
1967	23,953	15,017	+108	13,035	3,629	+25	22,223
1968	22,223	14,444	+91	12,119	3,369	+262	21,350
1969	21,350	13,723	+83	10,923	3,382	-262	20,423
1970	20,423	13,439	+121	10,802	3,116	-137	19,686
1971	19,686	12,930	+208	10,966	2,964	+232	18,710
1972	18,710	12,537	+146	10,525	2,907	+55	17,724
1973	17,724	11,513	+195	9,798	2,882	+32	16,394
1974	16,394	10,508	+290	9,073	2,678	-349	14,512
1975	14,512	9,820	+336	8,057	2,487	-76	13,376
1976 ¹	13,376	8,896	+240	6,927	2,290	-105	12,710
1977 ²	12,710	8,520	+250	6,625	2,175		11.9-12.2

¹ Preliminary. ² Projected.

Table 9—Lamb supplies and prices

		Commercial slaughter ¹			Average dressed weight	Commer- cial produc- tion	Per capita consump- tion ²	Retail	Prices		
		Lambs and yearlings	Sheep	Total					San Angelo		Farm
									Choice slaughter	Choice feeder	
		<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>	<i>Lb.</i>	<i>Mil. lb.</i>	<i>Lb.</i>	<i>Cents per lb.</i>	<i>Dollars per/cwt.</i>	<i>Dollars per/cwt.</i>	<i>Dollars per/cwt.</i>
1973:	I	2,240	76	2,316	54	126	.7	130.6	38.65	38.70	35.70
	II	2,164	205	2,369	54	127	.7	134.0	38.22	37.37	34.97
	III	2,237	305	2,542	51	128	.7	139.7	38.36	35.90	36.77
	IV	2,116	254	2,370	52	123	.6	132.7	37.55	36.69	33.90
Year		8,757	840	9,597	53	504	2.7	134.3	38.20	37.17	35.10
1974:	I	2,082	108	2,190	54	119	.6	137.6	40.21	39.52	38.17
	II	1,972	140	2,112	52	109	.6	142.5	45.22	40.21	40.43
	III	2,214	199	2,413	49	118	.6	152.3	38.85	31.53	36.20
	IV	1,991	141	2,132	51	108	.5	153.3	37.76	34.81	34.83
Year		8,259	588	8,847	51	454	2.3	146.4	40.51	36.52	37.00
1975:	I	1,879	65	1,944	52	101	.5	155.9	41.15	37.64	38.17
	II	1,773	152	1,925	50	96	.5	163.9	46.78	42.11	44.50
	III	1,922	169	2,091	50	104	.5	174.7	43.17	40.08	41.17
	IV	1,681	194	1,875	52	98	.5	176.1	46.69	45.78	44.37
Year		7,255	580	7,835	51	399	2.0	167.6	44.45	41.40	42.10
1976:	I	1,647	69	1,716	55	95	.5	179.5	51.50	51.45	48.43
	II	1,423	138	1,561	53	82	.4	189.0	58.63	56.94	55.37
	III	1,655	123	1,778	52	92	.5	190.2	43.54	47.32	43.37
	IV	1,558	101	1,659	55	92	.5	183.7	45.81	49.39	43.07
Year		6,283	431	6,714	54	361	1.9	185.6	49.87	51.28	46.90
1977:	I	1,583	79	1,504	60	90	.5	181.9	52.98	54.87	49.07
	II	1,466	157	1,623	53	86	.4	183.6	55.76	52.24	52.57
	III										
	IV										
Year											

¹ Classes estimated. ² Total, including farm production.

MEAT CONSUMPTION AND PRICES

Retail Meat Prices Expected To Increase

Retail red meat prices will average above year-earlier levels for the rest of 1977, reflecting slightly lower red meat supplies and higher marketing costs. This summer the Bureau of Labor Statistics (BLS) total red meat price index will likely rise above 1976 levels for the first time this year but will still be below 1975. This fall's retail meat prices will depend on crop developments and the expected reduction in beef supplies. Currently, fourth quarter retail meat prices are expected to stay near or slightly above the summer level.

Red meat supplies this summer will most likely fall below year-ago levels for the first time this year—pushing retail meat prices up. Third quarter per capita red meat consumption will be down slightly from the second quarter and substantially below last summer's record high of 48.9

pounds. The biggest reduction will be an almost 5-percent drop in per capita beef supplies, while pork and other red meat supplies are about the same as last summer. Total meat consumption during the July-September period will be about the same as the second-quarter level. However, it will be down from a year earlier as the reduction in beef supplies more than offsets the increase in broiler supplies.

Fall quarter red meat supplies are expected to be slightly below the year-earlier level and total red meat consumption may be close to the first-quarter level of 48.9 pounds per person. Beef supplies this fall will about equal the third-quarter and year-ago level. October-December production and consumption of pork are expected to gain seasonally from the third quarter and average near or slightly below last year's level. With anticipated record high fourth quarter broiler production and consumption, a year-to-year reduction of less than 1 pound per person in total red meat and broiler consumption during October-December is likely.

Table 10—Per capita meat consumption by quarters¹

Year	Carcass weight					Retail weight				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Beef										
1971	27.7	28.1	29.3	27.9	113.0	20.5	20.8	21.7	20.6	83.6
1972	28.2	28.9	29.4	29.6	116.1	20.9	21.4	21.7	21.9	85.9
1973	28.0	26.2	26.8	28.6	109.6	20.7	19.4	19.8	21.2	81.1
1974	28.3	28.8	29.4	30.3	116.8	20.9	21.3	21.8	22.4	86.4
1975	30.3	28.4	30.2	31.2	120.1	22.4	21.0	22.4	23.1	88.9
1976	32.7	31.2	33.3	31.6	128.8	24.2	23.1	24.6	23.4	95.3
1977 ²	31.8	31.1	31.2	31.3	125.4	23.5	23.0	23.1	23.2	92.8
Veal										
1971 .....	.7	.6	.7	.7	2.7	.6	.5	.5	.6	2.2
1972 .....	.6	.5	.5	.6	2.2	.5	.4	.4	.5	1.8
1973 .....	.5	.4	.4	.5	1.8	.5	.3	.3	.4	1.5
1974 .....	.5	.4	.6	.8	2.3	.4	.3	.5	.7	1.9
1975 .....	.9	.9	1.2	1.2	4.2	.8	.8	1.0	1.0	3.6
1976	1.1	.8	1.0	1.1	4.0	.9	.7	.8	.9	3.3
1977 ²	1.0	.9	1.0	.9	3.8	.8	.8	.8	.8	3.2
Pork										
1971	18.3	17.8	18.0	18.9	73.0	17.0	16.6	16.7	17.6	67.9
1972	17.7	16.6	15.8	17.3	67.4	16.5	15.4	14.7	16.1	62.7
1973	16.0	15.4	14.0	16.2	61.6	14.9	14.3	13.0	15.1	57.3
1974	16.7	17.2	16.1	16.6	66.6	15.5	16.0	15.0	15.4	61.9
1975	15.0	14.1	12.3	13.4	54.8	14.0	13.1	11.4	12.5	51.0
1976	13.9	13.2	14.1	16.8	58.0	12.9	12.3	13.1	15.6	53.9
1977 ²	15.6	14.9	14.3	16.4	61.2	14.5	13.9	13.3	15.2	56.9
Lamb & Mutton										
1971 .....	.8	.8	.8	.7	3.1	.7	.7	.7	.7	2.8
1972 .....	.8	.9	.9	.7	3.3	.7	.8	.8	.6	2.9
1973 .....	.7	.7	.7	.6	2.7	.7	.6	.6	.5	2.4
1974 .....	.6	.6	.6	.5	2.3	.5	.5	.5	.5	2.0
1975 .....	.5	.5	.5	.5	2.0	.5	.4	.4	.5	1.8
1976 .....	.5	.4	.5	.5	1.9	.5	.4	.4	.4	1.7
1977 ² .....	.5	.4	.5	.4	1.8	.4	.4	.4	.4	1.6
Red Meat										
1971	47.5	47.3	48.8	48.2	191.8	38.8	38.6	39.6	39.5	156.5
1972	47.3	46.9	46.6	48.2	189.0	38.6	38.0	37.6	39.1	153.3
1973	45.2	42.7	41.9	45.9	175.7	36.8	34.6	33.7	37.2	142.3
1974	46.1	47.0	46.7	48.2	188.0	37.3	38.1	37.8	39.0	152.2
1975	46.7	43.9	44.2	46.3	181.1	37.7	35.3	35.2	37.1	145.3
1976	48.2	45.6	48.9	50.0	192.7	38.5	36.5	38.9	40.3	154.2
1977 ²	48.9	47.3	47.0	49.0	192.2	39.2	38.1	37.6	39.6	154.5

¹ Total consumption including farm, 50 States. ² Quarters I & II preliminary, III & IV forecast.

Commercial red meat production during the first half of 1977 was 19.5 billion pounds, up 3 percent from the first half of 1976. A 14-percent increase in pork production more than offset the small decrease in beef supplies. Broiler production also increased, bringing first half 1977 red meat plus broiler meat production to 3 percent above what it was during the winter and spring of 1976.

Per capita red meat consumption during April-June was the highest for that quarter since 1971, while combined per capita red meat and poultry consumption set a new spring quarter record of 57.9 pounds. Even though commercial beef production was a little higher, per capita beef consumption was slightly below a year earlier because of lower beef imports.

With larger consumer meat supplies during the first half of 1977, retail meat prices were below last year's level. The BLS total meat price index averaged 5.6 percent below last year's January-June level. The first half beef and veal price index was down 4 percent, while the pork price index was down 13 percent.

So far, the change in the composition of cattle slaughter and resulting change in beef supplies has not been reflected in either retail or wholesale beef prices. The wholesale dressed meat price of Cutter and Canner beef at Midwest markets increased gradually from January to April but declined in May and June, while wholesale steer beef declined during the first quarter, increased in May, and

decreased in June. The BLS average price of porterhouse steak, after an initial decrease from January to February, has been increasing all year, while hamburger prices have been holding steady near 85 cents per pound all year. It had been anticipated that reduced cow and nonfed steer and heifer slaughter would result in a greater increase in retail hamburger prices than for table cuts, particularly given a reduction in first half 1977 beef imports, which are similar to nonfed beef. Although cow and nonfed steer and heifer slaughter have been below the year-earlier level, it has still been relatively large. This in combination with larger pork and broiler supplies have probably kept hamburger prices down this spring. Year-to-year reductions in nonfed steer and heifer and cow slaughter, however, may be greater during the second half of this year than during the first half year.

Demand Should Be Strong

Continued growth in the general economy for the second half of 1977 is the basis for expected growth in consumer demand for meat and livestock products. Real GNP increased at an annual rate of 7.5 percent during the first quarter and 6.4 percent during the second quarter. Gains in real GNP may moderate to around 5 to 5½ percent in the second half of 1977. Total employment increased again in June but not as fast as the labor force, so the unemployment rate increased to 7.1 percent. Per capita disposable personal income increased 3.2 percent during

Table 11— Expenditures per person and percent of income spent for red meat¹

Year and quarter	Dispos-able income	Spent for beef ²	Per-cent-age	Spent for pork	Per-cent-age	Spent for veal	Per-cent-age	Spent for lamb	Per-cent-age	Spent for all meat	Per-cent-age
	Dollars	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
1955	1,654	42.75	2.58	33.27	2.01	4.99	0.30	2.73	0.17	83.76	5.06
1960	1,934	51.57	2.67	33.76	1.75	4.10	.21	3.11	.16	92.54	4.79
1965	2,430	58.95	2.43	35.93	1.48	3.58	.15	2.61	.11	101.07	4.16
1970	3,348	82.92	2.48	48.20	1.44	2.98	.09	3.06	.09	137.16	4.10
1971	3,588	87.11	2.43	47.74	1.33	2.98	.08	3.07	.09	140.90	3.93
1972	3,837	97.75	2.55	52.17	1.36	2.77	.07	3.45	.09	156.14	4.07
1973	4,286	109.89	2.56	62.90	1.47	2.73	.06	3.22	.08	178.74	4.17
1974	4,639	119.92	2.59	66.98	1.45	3.69	.08	2.91	.06	193.50	4.17
1975											
I	1,202	29.03	2.42	16.02	1.33	1.47	.12	.78	.06	47.30	3.94
II	1,276	30.76	2.41	16.13	1.27	1.46	.11	.66	.05	49.01	3.84
III	1,276	35.03	2.75	17.01	1.33	1.82	.14	.70	.06	54.56	4.28
IV	1,307	34.97	2.69	19.18	1.48	1.77	.14	.88	.07	56.80	4.37
Year	5,060	129.79	2.58	68.85	1.37	6.52	.13	3.02	.06	208.18	4.13
1976											
I	1,344	34.39	2.56	18.29	1.36	1.59	.12	.80	.06	55.07	4.10
II	1,366	32.67	2.40	17.00	1.25	1.16	.08	.67	.05	51.50	3.77
III	1,385	33.54	2.42	18.02	1.30	1.45	.10	.85	.06	53.86	3.89
IV	1,416	31.80	2.25	18.72	1.32	1.55	.11	.82	.06	52.89	3.74
Year	5,511	132.39	2.40	72.44	1.31	5.75	.10	3.14	.06	213.72	3.88
1977											
I	1,448	31.79	2.20	17.50	1.21	1.47	.10	.81	.06	51.57	3.56
II	1,495	31.34	2.10	16.88	1.13	1.34	.09	.65	.04	50.21	3.36
III											
IV											
Year											

¹ Estimated from retail weight of consumption times average retail price. Conversion factors of 0.74 for beef, 0.93 for pork, 0.83 for veal, and 0.89 for lamb and mutton were used to adjust carcass weight consumption to retail weight consumption. ² Based on the average retail price of Choice grade beef and does not attempt to account for prices of other grades or the value of away-from-home consumption.

the second quarter; however, some of the increase was offset by an upturn in the savings rate. With GNP increasing at a slower, but substantial, rate and employment and disposable income increasing, the prospects for consumer demand for meat appear good.

Consumers demonstrated a large appetite for meat during the first half of 1977. From January through June, approximately 96 pounds per person of red meat were consumed. This is about 1 pound larger than the previous record set during the first half of 1971. Also during the first half of 1977, around 20.3 pounds per person of broiler meat were consumed as opposed to 18 pounds in 1971.

Second Half Imports To Increase

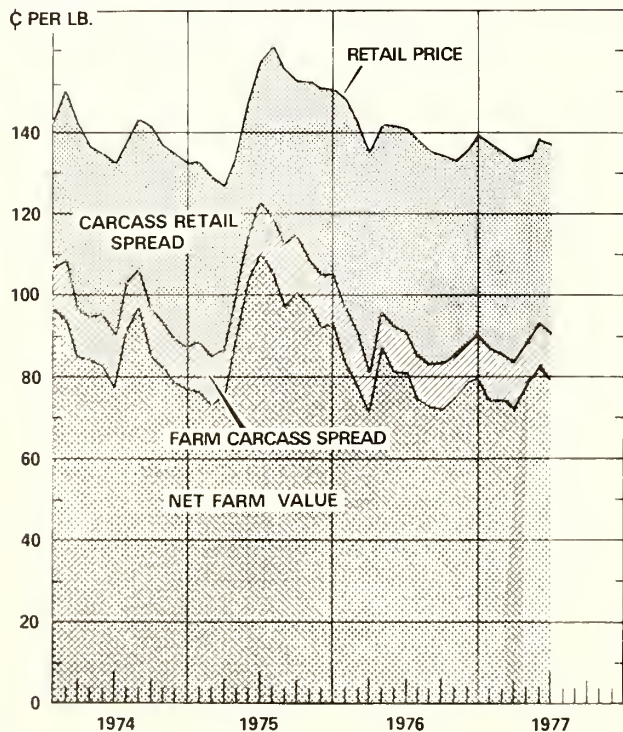
Imports of Australian meat subject to the Meat Import Law were 283.7 million pounds (product weight) through July 9, 1977, as opposed to 343.5 million pounds a year earlier. Supplies of New Zealand meat were also behind year-ago levels by about 13.7 million pounds. These reductions in imports are the result of filling orders to other countries and a certain amount of waiting for improvement in U.S. beef prices. It is not likely that either Australia, New Zealand, or any other country will fail to meet its quota of meat imports. The impact of this delay

in imports is that a greater portion of imported meat will be available during the second half of 1977. From January to April, imports of beef from Australia subject to Meat Import Law had been averaging near 20,000 metric tons a month. During May they increased to 27,000 metric tons and reached 29,000 tons in June. In order to meet the import constraint level by the end of October, they will have to average near 32,000 metric tons a month. Most of the imported meat is frozen beef and veal which is used in the manufacture of prepared products like hamburger, sausage, canned meats, T.V. dinners, and other processed products. This type meat competes more with nonfed steer and heifer and cow beef and could therefore moderate some of the expected price increases for hamburger and similar meats.

Farm-Retail Price Spreads To Widen

Beef and pork farm-retail price spreads are expected to increase from their early July level. A continued gradual increase in wage rates, prices for energy, packaging material, transportation costs, and other inputs used by marketing firms will keep pressure on price spreads for the remainder of 1977. During the second quarter, live animal prices increased faster than retail prices, narrowing margins to their lowest levels since 1975.

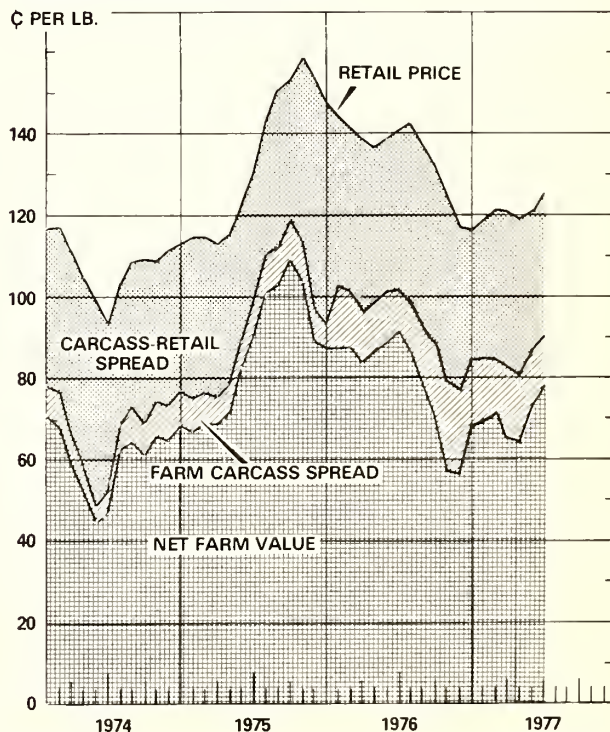
PRICE SPREADS FOR CHOICE BEEF



USDA

NEG ERS 2575 77(8)

PRICE SPREADS FOR PORK



USDA

NEG ERS 2586 77(8)

Table 12- Beef and Pork Prices and Price Spreads

Date	Retail price per pound ¹	Carcass value ²	Gross farm value ³	Byproduct allowance ⁴	Net farm value ⁵	Farm-retail spread			Farmers' share
						Total	Carcass-retail	Farm-carcass	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
Beef, Choice grade									
1971	104.3	75.7	72.3	4.5	67.8	36.5	28.6	7.9	65
1972	113.8	80.1	79.8	7.4	72.4	41.4	33.7	7.7	64
1973	135.5	98.1	100.0	10.1	89.9	45.6	37.4	8.2	66
1974	138.8	97.4	93.7	7.6	86.1	52.7	41.4	11.3	62
1975	146.0	105.5	99.9	7.0	92.9	53.1	40.5	12.6	64
1976	138.9	88.6	86.3	8.4	77.9	61.0	50.3	10.7	56
1973									
I	129.2	95.2	96.6	9.3	87.3	41.9	34.0	7.9	68
II	135.8	100.2	102.7	10.0	92.7	43.1	35.6	7.5	68
III	141.8	104.9	110.4	11.6	98.8	43.0	36.9	6.1	70
IV	135.1	92.1	90.2	9.5	80.7	54.4	42.9	11.5	60
1974									
I	145.1	103.9	101.5	9.4	92.1	53.0	41.2	11.8	63
II	134.5	93.6	89.0	7.3	81.7	52.8	40.9	11.9	61
III	141.0	102.1	99.1	7.8	91.3	49.7	38.9	10.8	65
IV	134.5	90.2	85.4	6.1	79.3	55.2	44.3	10.9	59
1975									
I	129.6	86.6	80.3	5.1	75.2	54.4	43.0	11.4	58
II	146.5	113.4	108.4	7.1	101.3	45.2	33.1	12.1	69
III	156.4	115.4	108.8	7.9	100.9	55.5	41.0	14.5	65
IV	151.4	106.5	102.2	7.9	94.3	57.1	44.9	12.2	62
1976									
I	142.1	89.8	85.3	7.6	77.7	64.4	52.3	12.1	55
II	141.5	93.0	91.9	8.8	83.1	58.4	48.5	9.9	59
III	136.1	83.8	82.1	9.0	73.1	63.0	52.3	10.7	54
IV	136.0	88.0	85.8	8.0	77.8	58.2	48.0	10.2	57
1977									
Jan.	137.5	87.1	83.9	8.8	75.1	62.4	50.4	12.0	55
Feb.	134.6	85.6	83.6	8.8	74.8	59.8	49.0	10.8	56
Mar.	133.2	83.3	82.4	9.3	73.1	60.1	49.9	10.2	55
Apr.	134.0	88.1	88.8	10.2	78.6	55.4	45.9	9.5	59
May	138.4	93.4	92.7	9.9	82.8	55.6	45.0	10.6	60
June	137.4	91.0	88.9	9.0	79.9	57.5	46.4	11.1	58
July									
Aug.									
Sept.									
Oct.									
Nov.									
Dec.									
Pork									
1971	70.3	52.1	35.0	2.7	32.3	38.0	18.2	19.8	46
1972	83.2	65.3	51.2	3.5	47.7	35.5	17.9	17.6	57
1973	109.8	87.3	78.2	6.7	71.5	38.3	22.5	15.8	65
1974	108.2	77.4	68.0	7.2	60.8	47.4	30.8	16.6	56
1975	135.0	103.8	94.8	7.9	86.9	48.1	31.2	16.9	64
1976	134.3	93.6	84.4	6.0	78.4	55.9	40.7	15.2	58
1973									
I	98.1	80.1	68.4	4.9	63.5	34.6	18.0	16.6	65
II	103.1	79.4	70.8	6.0	64.8	38.3	23.7	14.6	63
III	121.8	101.7	94.8	8.7	86.1	35.7	20.1	15.6	71
IV	116.1	87.9	78.9	7.4	71.5	44.6	28.2	16.4	62
1974									
I	115.2	82.3	73.8	7.7	66.1	49.1	32.9	16.2	57
II	99.3	66.4	53.2	5.3	47.9	51.4	32.9	18.5	48
III	107.4	77.6	70.1	7.3	62.8	44.6	29.8	14.8	58
IV	111.0	83.5	75.0	8.4	66.6	44.4	27.5	16.9	60
1975									
I	114.4	85.7	75.6	7.3	68.3	46.1	28.7	17.4	60
II	123.1	96.7	88.9	7.4	81.5	41.6	26.4	15.2	66
III	149.2	118.9	114.0	9.7	104.3	44.9	30.3	14.6	70
IV	153.4	113.9	100.9	7.3	93.6	59.8	39.5	20.3	61
1976									
I	141.5	100.3	92.6	6.2	86.4	55.1	41.2	13.9	61
II	138.5	100.6	95.0	6.3	88.7	49.8	37.9	11.9	64
III	137.4	93.1	84.5	6.1	78.4	59.0	44.3	14.7	57
IV	119.8	80.2	65.5	5.0	60.5	59.3	39.6	19.7	50
1977									
Jan.	119.6	85.2	75.9	6.1	69.8	49.8	34.4	15.4	58
Feb.	121.1	85.0	77.2	6.3	70.9	50.2	36.1	14.1	59
Mar.	121.0	82.1	72.0	6.1	65.9	55.1	38.9	16.2	54
Apr.	118.9	80.2	70.9	6.4	64.5	54.4	38.7	15.7	54
May	120.9	86.8	80.4	6.6	73.8	47.1	34.1	13.0	61
June	125.7	90.2	84.5	6.5	78.0	47.7	35.5	12.2	62
July									
Aug.									
Sept.									
Oct.									
Nov.									
Dec.									

¹ Estimated weighted average price of retail cuts. ² For quantity equivalent to 1 lb. of retail cuts: Beef, 1.41 lb. of carcass beef; Pork, 1.07 lb. of wholesale cuts. ³ Payment to farmer for quantity of live animal equivalent to 1 lb. of retail cuts: Beef, 2.28 lb.; Pork, 1.97 lb. ⁴ Portion of gross farm value attributed to edible and inedible byproducts.

Table 13 - Average retail price of meat per pound, United States, by months, 1968 to date¹

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
Beef, Choice grade													
1968	84.3	85.1	85.6	85.6	85.8	85.8	87.1	87.0	88.4	87.7	88.1	88.5	86.6
1969	89.5	89.6	90.9	93.3	97.8	101.9	102.4	101.1	99.1	95.2	96.5	96.9	96.2
1970	97.5	97.3	99.4	99.9	99.4	98.5	100.7	100.4	98.7	97.9	97.6	96.5	98.6
1971	97.2	101.3	102.2	104.0	104.8	105.7	104.7	105.7	105.9	105.1	106.3	108.5	104.3
1972	111.5	115.8	115.8	112.0	111.4	113.5	117.3	115.8	112.9	112.8	112.3	114.6	113.8
1973	122.1	130.3	135.3	136.0	136.0	135.5	136.3	144.2	144.9	136.0	134.9	134.4	135.5
1974	143.0	150.0	142.2	136.4	135.0	132.2	137.9	143.4	141.6	136.8	134.4	132.2	138.8
1975	132.8	129.0	127.0	133.9	147.8	157.8	161.0	155.5	152.8	152.4	151.2	150.6	146.0
1976	148.6	142.7	135.1	142.0	141.7	140.8	138.2	135.8	134.3	133.5	135.7	138.9	138.9
1977	137.5	134.6	133.2	134.0	138.4	137.4							
Veal, retail cuts													
1968	99.8	99.2	100.0	102.0	100.0	102.5	101.7	101.4	101.9	101.1	101.9	100.9	101.0
1969	102.5	103.7	104.6	107.5	108.6	112.5	114.0	115.0	115.1	115.2	114.6	116.3	110.8
1970	117.2	119.3	120.8	123.3	123.9	124.9	125.7	126.6	127.0	127.4	127.6	127.9	124.3
1971	128.9	129.4	130.6	132.9	133.7	134.8	138.5	139.3	139.6	140.3	140.6	140.9	135.8
1972	142.8	148.6	149.7	151.0	151.7	154.2	156.4	157.3	157.6	158.4	159.4	159.9	153.9
1973	162.2	169.1	176.9	180.5	181.1	181.3	183.2	188.7	188.5	190.6	186.2	191.6	181.7
1974	194.5	198.4	199.1	194.8	193.3	193.7	192.4	194.8	196.1	192.4	189.1	190.6	194.1
1975	187.0	183.5	179.6	180.2	182.9	183.1	186.6	181.6	178.2	176.8	176.7	177.4	181.1
1976	174.4	173.7	173.3	171.7	173.9	177.2	176.5	175.4	172.9	170.4	170.1	169.8	173.3
1977	176.7	179.3	177.0	178.6	178.5	179.7							
Pork													
1968	65.4	66.7	67.1	66.3	66.7	67.8	69.4	69.0	68.8	67.8	67.1	67.0	67.4
1969	67.9	68.6	69.0	69.1	71.6	75.0	76.9	78.3	78.9	78.7	78.1	79.7	74.3
1970	82.1	81.8	81.4	79.9	80.0	80.0	80.6	79.7	76.7	74.6	70.8	68.4	78.0
1971	68.4	69.4	69.9	68.7	68.2	69.6	71.4	71.6	71.0	71.3	71.4	72.9	70.3
1972	76.3	81.3	79.4	78.2	79.4	82.0	85.6	86.0	86.6	87.5	87.2	88.5	83.2
1973	94.1	97.1	103.0	102.7	102.4	104.1	107.5	131.5	126.3	117.1	115.4	115.8	109.8
1974	116.7	117.2	111.8	104.7	99.4	93.7	103.7	108.7	109.9	109.0	111.4	112.7	108.2
1975	114.9	114.8	113.6	115.7	123.0	130.5	143.7	150.2	153.8	158.7	154.0	147.5	135.0
1976	144.2	141.6	138.7	136.6	138.6	140.4	142.1	137.4	132.7	124.8	117.5	117.2	134.3
1977	119.6	121.1	121.0	118.9	120.9	125.7							
Lamb, Choice grade													
1968	89.8	90.4	92.0	92.5	93.3	93.7	94.5	93.6	93.1	94.5	94.2	93.5	92.9
1969	94.5	95.9	96.4	97.1	100.1	101.8	104.4	102.9	103.4	103.9	103.7	104.8	100.7
1970	104.8	104.8	104.7	105.6	103.9	105.7	106.0	106.3	106.3	105.9	105.9	106.4	105.5
1971	105.9	106.5	107.0	107.4	108.0	109.6	111.4	111.5	112.6	110.9	112.7	113.0	109.7
1972	113.0	115.3	115.5	116.0	115.7	119.0	121.2	121.5	121.0	121.5	122.5	123.7	118.8
1973	125.6	130.2	136.1	135.5	134.2	132.2	133.4	140.4	145.4	135.2	131.3	131.7	134.3
1974	132.6	138.2	141.9	141.3	141.8	144.4	151.4	151.5	154.1	151.8	152.2	155.9	146.4
1975	156.0	157.1	154.5	158.2	164.2	169.2	174.9	173.5	175.7	175.0	176.5	177.0	167.6
1976	178.3	178.3	181.8	184.0	189.0	194.1	193.6	191.2	185.7	184.9	183.6	182.6	185.6
1977	181.4	182.9	181.3	178.5	183.6	188.7							

¹ Estimated weighted average price of retail cuts. Compiled by Economic Research Service from BLS data.

Table 14—Average retail price of specified meat cuts, per pound, by months, 1972 to date

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Beef:												
Porterhouse steak												
1972.....	176.3	180.8	181.3	177.8	175.3	180.1	187.1	187.3	184.9	180.2	182.0	179.7
1973.....	187.7	197.1	201.4	204.4	204.1	206.4	207.7	216.7	216.3	207.6	202.4	200.2
1974.....	201.3	214.7	211.5	206.0	204.1	206.6	205.8	220.2	226.6	216.4	212.0	207.8
1975.....	204.6	203.7	199.1	203.9	224.2	249.1	269.6	264.7	260.3	261.1	253.8	252.6
1976.....	253.7	241.4	235.0	227.9	242.3	243.3	246.6	238.2	238.8	232.0	230.9	234.2
1977.....	234.0	226.7	226.7	230.5	233.6	249.9						
Round steak												
1972.....	143.9	151.0	151.3	147.4	143.7	145.9	151.0	150.7	147.1	145.9	147.7	146.6
1973.....	155.9	167.8	174.6	174.8	173.8	173.9	176.3	187.7	188.5	175.8	174.7	171.4
1974.....	176.7	193.4	187.3	178.8	175.6	174.9	174.0	182.9	185.9	178.7	177.8	171.0
1975.....	172.9	171.5	167.9	171.0	186.7	198.9	207.7	202.2	193.7	199.2	195.5	194.6
1976.....	197.0	185.7	180.4	176.2	179.6	177.5	180.1	174.5	175.0	168.8	172.0	173.1
1977.....	174.0	174.4	174.7	175.6	176.9	174.6						
Rib roast												
1972.....	126.8	130.5	131.4	129.6	128.1	128.2	132.2	132.2	130.2	128.8	127.8	128.4
1973.....	137.2	142.3	148.6	150.9	152.4	153.4	154.4	160.1	161.5	157.8	154.5	153.8
1974.....	154.8	163.4	159.8	154.7	153.3	152.0	152.1	160.1	168.6	164.5	159.7	158.6
1975.....	160.7	157.3	154.9	155.9	167.8	184.0	206.2	200.3	194.4	191.8	189.6	192.2
1976.....	192.2	182.9	175.7	171.7	179.6	178.8	178.5	175.7	173.9	171.4	171.2	176.8
1977.....	182.0	178.9	175.7	171.5	178.6	182.4						
Rump roast												
1972.....	141.0	148.1	149.1	146.0	142.1	145.3	149.3	150.1	147.0	145.7	146.3	145.8
1973.....	153.7	164.4	169.5	169.8	169.7	170.2	171.6	181.7	182.3	172.1	170.8	167.3
1974.....	171.8	186.9	182.0	174.8	172.2	171.6	170.5	177.2	180.8	174.3	174.5	169.9
1975.....	169.3	169.6	167.1	169.6	182.4	191.5	199.8	196.6	187.7	193.7	188.5	187.5
1976.....	191.2	181.8	177.0	173.7	174.7	170.4	175.7	168.8	172.9	167.8	168.0	173.0
1977.....	173.1	169.6	170.4	168.0	168.8	171.1						
Chuck roast												
1972.....	79.1	84.2	85.1	83.0	80.7	79.8	83.5	84.6	82.2	81.2	81.1	81.1
1973.....	85.3	96.1	100.6	103.3	103.6	103.3	103.9	114.2	115.0	106.3	101.8	100.5
1974.....	101.0	114.7	113.0	102.7	97.4	95.0	95.4	102.2	105.0	101.2	99.5	98.2
1975.....	91.5	92.1	90.6	90.9	100.7	107.6	116.8	112.5	107.7	108.2	107.3	107.6
1976.....	103.5	102.0	99.2	92.5	99.7	98.8	99.1	94.9	94.6	94.1	92.7	92.0
1977.....	91.0	93.0	91.5	92.5	91.6	92.5						
Hamburger												
1972.....	70.6	73.2	74.1	73.8	73.5	74.1	75.1	76.4	75.3	75.7	75.4	75.2
1973.....	78.2	83.9	91.3	94.2	94.6	95.3	94.8	103.8	106.2	104.2	101.5	100.4
1974.....	102.6	109.5	108.4	101.2	97.1	95.2	90.5	94.8	96.4	93.0	89.7	87.5
1975.....	85.4	82.8	80.5	80.5	86.7	90.6	93.8	92.7	90.1	90.8	90.4	88.8
1976.....	89.3	87.7	86.4	85.6	90.4	90.0	88.9	88.8	86.9	85.7	85.9	85.0
1977.....	85.4	85.4	84.9	85.1	86.5	85.8						
Veal:												
Cutlet												
1972.....	250.5	260.7	262.7	265.0	266.3	270.7	274.5	276.1	276.6	278.0	279.8	280.8
1973.....	284.6	295.7	308.5	314.0	314.1	313.5	315.9	324.6	323.4	326.2	327.4	326.0
1974.....	341.3	348.4	350.2	343.1	340.9	342.0	340.2	344.8	347.5	341.6	336.2	339.2
1975.....	328.1	323.0	317.2	319.2	325.1	326.4	333.5	325.9	320.9	319.5	320.4	322.7
1976.....	306.0	304.7	303.8	300.9	304.6	309.6	308.9	306.9	302.4	297.8	297.2	296.5
1977.....	310.0	314.5	310.5	313.3	313.2	315.3						
Pork:												
Chops												
1972.....	112.3	125.1	119.9	116.8	115.6	120.7	131.6	128.9	132.5	131.3	130.9	129.3
1973.....	139.5	147.7	154.2	145.0	147.0	150.0	152.1	196.5	169.8	157.9	157.6	153.4
1974.....	162.7	164.0	158.5	149.7	143.7	139.8	153.9	158.9	164.5	161.9	161.2	159.0
1975.....	160.7	161.4	161.1	161.4	167.2	183.3	204.1	203.9	205.7	211.0	207.2	199.9
1976.....	190.2	192.8	191.8	184.8	187.1	192.2	194.9	191.9	184.8	174.9	170.3	161.6
1977.....	171.5	183.1	177.7	175.6	173.7	179.1						
Roast, loin												
1972.....	79.5	86.9	85.5	82.8	82.1	85.1	93.1	92.1	93.1	93.2	93.3	92.0
1973.....	99.3	105.5	111.9	109.5	108.7	110.1	111.7	151.5	131.3	120.7	119.7	116.9
1974.....	122.9	123.9	121.1	111.7	107.5	102.9	113.3	117.6	121.6	119.8	119.1	117.2
1975.....	121.1	120.4	120.0	119.8	125.0	138.6	156.1	155.9	158.7	162.9	160.4	157.0
1976.....	149.8	151.2	150.0	142.4	146.0	146.7	150.2	148.4	142.6	135.1	129.6	121.5
1977.....	126.9	135.1	131.6	131.1	128.0	134.4						
Bacon, sliced												
1972.....	83.2	93.9	92.7	92.5	91.2	93.1	95.7	99.4	99.8	106.0	103.7	103.5
1973.....	107.3	114.7	118.1	121.6	119.5	121.2	123.1	161.0	166.4	152.8	142.9	141.4
1974.....	139.1	143.4	137.1	124.8	118.1	109.7	108.9	132.6	140.6	141.6	143.8	144.2
1975.....	147.1	147.8	149.2	147.9	157.7	165.5	177.9	192.0	211.3	216.1	204.5	190.1
1976.....	176.7	176.1	170.4	170.3	174.4	175.8	182.1	181.8	179.5	168.6	154.3	143.7
1977.....	144.2	149.7	151.7	148.0	152.4	155.8						
Ham, whole												
1972.....	74.9	76.6	77.8	76.7	75.2	76.3	77.5	78.0	78.6	79.9	81.9	85.5
1973.....	92.0	91.0	94.8	99.7	98.4	97.8	98.2	121.7	126.0	115.3	117.0	122.2
1974.....	121.3	115.9	114.2	108.9	97.3	92.6	89.9	99.0	101.1	102.7	108.8	113.8
1975.....	114.7	109.9	110.5	109.9	109.0	114.5	120.0	125.6	131.5	144.7	147.9	148.5
1976.....	152.0	142.9	140.0	139.4	137.9	137.3	138.5	137.1	132.8	130.8	124.7	129.5
1977.....	135.4	128.9	129.5	122.9	124.7	125.3						
Lamb:												
Chops												
1972.....	192.1	195.5	196.0	195.3	195.0	199.7	203.0	203.6	202.6	203.9	204.0	203.1
1973.....	205.3	218.1	225.5	227.5	226.6	224.5	228.8	241.4	240.8	227.1	223.4	230.1
1974.....	209.2	216.3	219.7	213.2	213.0	222.9	225.7	226.1	226.2	223.2	224.5	227.3
1975.....	252.1	254.8	255.3	256.2	264.4	275.3	280.4	282.3	283.3	282.9	283.2	283.4
1976.....	282.5	281.3	279.9	287.4	302.1	309.4	309.3	305.6	293.0	291.0	289.0	285.7
1977.....	290.3	298.3	296.3	294.0	301.5	306.8						

Data from the Bureau of Labor Statistics.

Supply and distribution of commercially produced meat, by months, carcass weight

Meat and period	Supply			Distribution				
	Production ¹	Beginning stocks ⁴	Imports	Exports and shipments	Ending stocks ⁴	Military	Civilian consumption	
							Total	Per person ²
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Pounds
Beef:								
1976								
May	1,969	401	185	14	410	15	2,116	9.9
June	2,161	410	201	13	405	23	2,331	11.0
July	2,111	405	164	13	392	12	2,263	10.6
August	2,233	392	166	12	372	20	2,387	11.2
September	2,274	372	201	14	393	15	2,425	11.4
October	2,203	393	188	13	415	21	2,335	10.9
November	2,096	415	138	13	440	24	2,172	10.2
December	2,113	440	86	14	464	28	2,133	10.0
1977								
January	2,160	454	142	12	474	21	2,249	10.5
February	1,981	474	170	12	474	11	2,128	9.9
March	2,188	474	148	15	493	18	2,284	10.7
April	1,990	493	155	12	471	12	2,143	10.0
May	1,991	471	156	14	445	12	2,147	10.0
June	2,181	445	140	14	412	(16)	2,324	10.8
Veal:								
1976								
May	56	10	1	1	8	(³)	58	.3
June	63	8	1	1	8	(³)	62	.3
July	63	8	1	1	8	(³)	63	.3
August	67	8	1	2	9	(³)	65	.3
September	75	9	2	(³)	9	(³)	75	.4
October	75	9	3	2	10	1	71	.3
November	72	10	2	1	11	1	76	.4
December	77							
1977								
January	77	11	1	1	12	(³)	76	.4
February	63	12	2	1	11	1	64	.3
March	71	11	2	2	11	1	70	.3
April	59	11	2	1	13	(³)	58	.3
May	61	13	1	1	12	(³)	62	.3
June	66	12	1	2	12	(1)	64	.3
Lamb & Mutton:								
1976								
May	23	10	4	1	11	(³)	25	.1
June	27	11	7	(³)	12	(³)	33	.1
July	28	12	4	1	14	(³)	29	.2
August	30	14	4	(³)	15	(³)	33	.1
September	34	15	3	1	17	(³)	34	.2
October	31	17	1	1	16	(³)	32	.2
November	30	16	3	1	17	(³)	31	.1
December	31	17	1	(³)	15	1	33	.2
1977								
January	29	15	1	(³)	14	(³)	31	.1
February	27	14	2	1	14	(³)	28	.2
March	34	14	2	1	12	(³)	37	.2
April	31	12	3	1	13	(³)	32	.2
May	26	13	4	1	15	(³)	27	.1
June	29	15	2	1	14	(³)	31	.2
Pork:								
1976								
May	880	268	35	47	271	6	859	4.0
June	899	271	37	31	235	7	934	4.4
July	847	235	39	27	194	2	898	4.2
August	1,020	194	27	32	170	6	1,033	4.9
September	1,084	170	29	35	190	7	1,051	4.9
October	1,188	190	33	41	216	7	1,147	5.4
November	1,255	216	34	37	235	9	1,224	5.7
December	1,147	235	34	30	225	8	1,153	5.4
1977								
January	1,007	212	35	27	197	11	1,019	4.8
February	1,013	197	30	28	200	6	1,006	4.7
March	1,256	200	39	36	223	7	1,229	5.7
April	1,120	223	38	31	261	6	1,083	5.1
May	1,044	261	35	36	268	9	1,027	4.8
June	1,022	268	38	32	232	(8)	1,056	4.9
Total Meat:								
1976								
May	2,928	689	225	63	700	21	3,058	14.3
June	3,150	700	246	45	660	31	3,360	15.8
July	3,049	660	208	42	608	14	3,253	15.3
August	3,350	608	198	46	565	27	3,518	16.5
September	3,467	565	235	51	609	22	3,585	16.8
October	3,497	609	224	55	656	29	3,590	16.8
November	3,453	656	178	53	702	34	3,498	16.4
December	3,368	702	123	45	715	38	3,395	16.0
1977								
January	3,273	692	179	40	697	32	3,375	15.8
February	3,084	697	204	42	699	18	3,226	15.1
March	3,549	699	191	54	739	26	3,620	15.9
April	3,200	739	198	45	758	18	3,316	15.5
May	3,122	758	196	52	740	21	3,263	15.2
June	3,298	740	181	49	670	(25)	3,475	16.2

¹ Excludes production from farm slaughter. ² Derived from estimates by months of population eating out of civilian food supplies. ³ Less than 500,000 lb. ⁴ Beginning 1977, excludes beef and pork stocks in cooler.

Selected price statistics for meat animals and meat

Item	1976			1977						
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
<i>Dollars per 100 pounds</i>										
SLAUGHTER STEERS:										
Omaha:										
Choice, 900-1100 lb.	37.88	39.15	39.96	38.38	37.98	37.28	40.08	41.98	40.24	40.94
Good, 900-1100 lb.	34.10	35.12	36.11	34.81	34.75	34.34	36.84	38.25	36.77	37.02
California, Choice 900-1100 lb.	39.00	40.62	41.40	38.56	39.44	40.15	42.56	43.50	42.40	42.44
Colorado, Choice 900-1100 lb.	38.42	39.26	39.98	37.55	37.76	37.40	40.67	43.00	40.56	40.94
Texas, Choice 900-1100 lb.	38.40	40.10	41.10	38.40	38.36	37.91	41.17	43.35	40.87	41.20
COWS:										
Omaha:										
Commercial	23.34	21.34	22.39	23.79	24.71	27.64	28.76	27.40	26.47	25.97
Utility	22.72	20.59	21.60	22.95	23.88	26.67	27.63	26.57	25.64	25.23
Cutter	20.40	19.00	20.18	21.55	22.54	25.03	25.98	24.66	23.99	23.85
Canner	18.01	16.96	18.88	19.54	20.59	22.86	24.04	22.88	22.46	22.15
VEALERS:										
Choice, S. St. Paul	47.25	44.90	49.58	53.12	54.88	56.26	52.88	54.92	51.60	46.95
FEEDER STEERS:										
Kansas City:										
Choice, 400-500 lb.	39.81	38.46	38.22	37.99	41.69	44.36	45.72	45.20	42.46	43.14
Choice, 600-700 lb.	36.72	36.26	36.23	36.49	37.86	38.95	41.81	41.72	39.90	40.64
Good, 600-700 lb.	31.39	30.65	30.47	31.41	32.88	35.92	38.30	38.95	37.82	38.48
All weights and grades	36.07	35.07	35.19	34.87	36.54	37.81	41.33	39.88	38.22	38.90
Amarillo:										
Choice, 600-700 lb.	35.04	34.69	35.87	36.47	38.00	38.60	41.81	40.66	38.39	38.79
Good, 600-700 lb.	—	—	—	—	—	—	—	—	—	—
Georgia Auctions:										
Choice, 600-700 lb.	31.81	30.69	32.42	31.75	34.50	35.95	37.81	35.81	34.10	35.00
Good, 400-500 lb.	31.00	28.62	30.17	30.44	33.94	34.90	37.25	35.00	33.15	33.62
SLAUGHTER HOGS:										
Barrows and Gilts:										
Omaha:										
Nos. 1 & 2, 200-220 lb.	33.12	33.00	39.17	40.52	41.06	38.08	37.66	42.62	45.07	46.62
Nos. 1 & 2, 220-240 lb.	33.10	32.79	39.03	40.45	41.08	38.11	37.64	42.60	44.98	46.62
All weights	32.34	31.19	37.47	39.05	40.04	37.45	36.74	41.44	43.41	45.27
Sioux City	32.69	31.96	38.28	39.65	40.40	37.61	37.20	41.94	43.89	45.76
7 markets ¹	32.66	32.05	38.05	39.52	40.18	37.53	36.97	41.79	43.86	45.76
Sows:										
7 markets ¹	26.87	23.64	28.30	33.58	35.84	34.26	34.09	36.99	37.84	38.63
FEEDER PIGS:										
Nos. 1 & 2, So. Mo., 40-50 lb. (per hd.)	21.75	21.17	24.04	23.84	33.24	38.58	41.49	40.91	35.18	36.90
SLAUGHTER LAMBS:										
Lambs, Choice, San Angelo	44.25	45.50	47.69	52.00	51.25	55.70	59.62	55.56	52.10	50.42
Lambs, Choice, So. St. Paul	41.08	42.27	46.32	51.61	52.40	50.83	55.05	57.00	52.57	50.05
Ewes, Good, San Angelo	16.12	—	16.88	20.75	19.25	22.15	18.19	16.62	16.00	14.58
Ewes, Good, So. St. Paul	9.80	9.45	10.54	15.90	16.15	15.00	11.40	11.00	11.16	11.00
FEEDER LAMBS:										
Choice, San Angelo	47.31	49.67	51.19	53.56	54.81	56.25	59.19	51.38	46.15	47.33
Choice, So. St. Paul	44.61	43.56	51.91	57.28	55.45	51.30	48.00	47.88	47.44	47.15
FARM PRICES:										
Beef cattle:	32.20	31.20	32.40	32.30	33.10	33.80	34.90	36.10	34.10	34.90
Calves	33.00	32.10	32.30	33.70	35.60	36.50	38.10	38.50	36.00	36.60
Hogs	32.90	31.20	36.30	38.00	39.30	37.10	36.00	40.70	41.90	44.90
Sheep	11.90	11.50	13.00	13.30	13.40	15.00	14.30	13.10	12.00	12.20
Lambs	42.60	41.90	44.70	48.50	49.50	49.20	51.00	55.50	51.20	50.70
MEAT PRICES:										
Wholesale:										
Midwest Markets: ²										
Steer beef, Choice, 600-700 lb.	58.36	60.85	62.52	60.94	58.92	57.12	60.54	64.44	62.62	63.40
Heifer beef, Choice, 500-600 lb.	57.37	59.17	60.72	58.50	57.66	56.05	58.63	63.02	61.84	62.14
Cow beef, Canner and Cutter	46.44	43.84	47.60	49.66	51.09	54.94	56.42	53.31	52.42	51.69
Pork loins, 8-14 lb.	72.55	66.83	73.37	85.32	80.66	72.36	73.42	83.14	87.94	91.66
Pork bellies, 12-14 lb.	47.94	42.58	45.71	51.62	52.08	48.91	55.23	57.10	58.51	63.55
Hams, skinned, 14-17 lb.	69.67	80.69	84.56	69.15	72.92	75.13	63.70	70.39	72.10	72.58
East Coast:										
Steer beef, Choice 600-700 lb.	61.87	64.46	66.25	63.66	62.97	60.46	64.02	67.50	66.00	66.82
Lamb, Choice and Prime, 35-45 lb.	92.98	93.25	97.35	105.76	105.04	110.60	114.00	112.83	106.38	104.72
Lamb, Choice and Prime, 55-65 lb.	89.23	86.12	90.55	96.29	95.44	92.15	110.75	109.62	105.98	103.84
West Coast:										
Steer Beef, Choice, 600-700 lb.	62.36	65.56	67.72	64.45	63.22	63.29	66.26	68.87	68.29	68.98
Retail:										
Beef, Choice	133.5	135.7	138.9	137.5	134.6	133.2	134.0	138.4	137.4	—
Veal	170.4	170.1	169.8	176.7	179.3	177.0	178.6	178.5	179.7	—
Pork	124.8	117.5	117.2	119.6	121.1	121.0	118.9	120.9	125.7	—
Lamb	184.9	183.6	182.5	181.4	182.9	181.3	178.5	183.6	188.7	—
Price Indexes (BLS, 1967=100)										
Wholesale meat	158.8	159.0	156.1	165.4	163.4	160.5	159.6	172.1	171.7	—
Retail meat	172.7	169.7	167.4	169.9	171.3	170.8	170.1	171.3	174.4	—
Beef and veal	158.7	159.4	160.7	162.1	161.5	160.7	161.2	162.8	164.8	—
Pork	191.7	182.4	174.7	180.1	185.1	184.1	181.7	182.0	187.0	—
Other meats	176.7	174.5	171.8	172.6	173.6	174.5	173.7	175.1	178.0	—
LIVESTOCK-FEED RATIOS, OMAHA³										
Beef steer-corn	16.1	18.0	17.4	16.1	16.0	15.9	17.5	19.0	19.2	21.5
Hog-corn	13.7	14.4	16.4	16.4	16.8	15.9	16.0	18.8	20.7	23.8

¹ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. ² Prior to Oct., 1975, Chicago Market. ³ Bushels of No. 2 Yellow Corn equivalent in value of 100 pounds liveweight.

Selected marketings, slaughter and stock statistics for meat animals and meat

Item	Unit	1976					1977					
		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
FEDERALLY INSPECTED:												
Slaughter:												
Cattle	1,000 head	3,388	3,435	3,336	3,154	3,205	3,272	3,041	3,330	3,033	3,054	3,374
Steers	1,000 head	1,574	1,520	1,434	1,296	1,361	1,422	1,374	1,575	1,485	1,488	1,683
Heifers	1,000 head	944	964	965	880	884	941	859	943	852	842	890
Cows	1,000 head	790	869	863	904	893	848	745	743	629	654	726
Bulls and stags	1,000 head	80	82	74	74	67	61	63	69	67	70	75
Calves	1,000 head	373	409	394	388	420	406	380	457	389	353	368
Sheep and lambs	1,000 head	563	622	556	517	534	499	461	579	539	474	550
Hogs	1,000 head	5,968	6,361	6,929	7,110	6,525	5,833	5,825	7,236	6,400	5,877	5,695
Percentage sows	Percent	5	5	5	6	6	5	6	5	4	5	6
Average liveweight per head												
Cattle	Pounds	1,026	1,029	1,032	1,036	1,037	1,044	1,043	1,048	1,042	1,037	1,032
Calves	Pounds	226	222	230	227	237	247	210	195	195	209	214
Sheep and lambs	Pounds	106	108	111	112	112	113	114	114	112	106	104
Hogs	Pounds	236	236	238	243	239	236	233	234	236	239	241
Average dressed weight												
Beef	Pounds	615	614	611	610	611	617	608	614	614	612	609
Veal	Pounds	129	128	131	130	138	143	125	116	114	123	126
Lamb and mutton	Pounds	53	54	55	56	56	57	57	58	56	52	51
Pork	Pounds	165	164	165	169	167	165	167	167	169	171	173
Production: ⁴												
Beef	Mil. lb.	2,076	2,104	2,031	1,918	1,951	2,012	1,841	2,034	1,855	1,859	2,047
Veal	Mil. lb.	48	52	51	50	57	57	46	52	43	42	45
Lamb and mutton	Mil. lb.	29	33	31	29	30	29	26	33	30	24	28
Pork	Mil. lb.	982	1,042	1,143	1,199	1,089	962	968	1,081	1,077	1,001	979
COMMERCIAL:												
Slaughter: ¹												
Cattle	1,000 head	3,676	3,749	3,660	3,492	3,510	3,546	3,299	3,616	3,272	3,299	3,627
Calves	1,000 head	443	495	480	466	490	478	443	519	445	419	442
Sheep and lambs	1,000 head	585	646	574	534	551	514	474	595	562	492	570
Hogs	1,000 head	6,215	6,637	7,211	7,458	6,880	6,117	6,096	7,545	6,658	6,134	5,957
Production:												
Beef	Mil. lb.	2,233	2,274	2,203	2,096	2,113	2,160	1,981	2,188	1,990	1,991	2,181
Veal	Mil. lb.	67	75	75	72	77	77	63	71	59	61	66
Lamb and mutton	Mil. lb.	30	34	31	30	31	29	27	34	31	26	29
Pork	Mil. lb.	1,020	1,084	1,188	1,255	1,147	1,007	1,013	1,256	1,120	1,044	1,022
COLD STORAGE STOCKS												
FIRST OF MONTH: ²												
Beef	Mil. lb.	394	373	394	414	443	454	474	474	493	471	445
Veal	Mil. lb.	8	8	9	9	10	11	12	11	11	13	12
Lamb and mutton	Mil. lb.	14	15	17	16	17	15	14	14	12	13	15
Pork	Mil. lb.	195	170	189	216	235	212	197	200	223	261	268
Total meat and meat products ³	Mil. lb.	675	620	663	711	755	733	745	755	795	818	798
FOREIGN TRADE:												
Imports: (carcass weight)												
Beef and veal	Mil. lb.	167	203	190	141	88	143	172	150	157	157	141
Pork	Mil. lb.	27	29	33	34	34	35	30	39	38	35	38
Lamb and mutton	Mil. lb.	4	3	1	3	1	1	2	2	3	4	2
Exports: (carcass weight)												
Beef and veal	Mil. lb.	6.85	7.77	8.55	7.23	6.86	6.29	7.54	8.55	6.96	7.84	9.19
Pork	Mil. lb.	22.48	25.64	32.54	26.07	21.37	18.23	21.03	27.56	21.58	25.54	22.79
Lamb and mutton	Mil. lb.	.31	.56	.55	.40	.35	.34	.33	.73	.33	.51	.49
Live animal imports:												
Cattle	Number	23,893	29,670	34,855	138,035	259,316	106,120	64,091	77,295	84,694	109,891	82,838
Hogs	Number	5,238	4,277	2,766	2,730	2,884	2,900	2,606	5,043	2,498	2,772	3,881
Sheep and lambs	Number	33	677	1,569	1,129	473	0	0	118	59	22	23
Live animal exports:												
Cattle	Number	23,127	21,378	16,966	12,401	7,417	6,080	4,829	5,951	6,874	7,166	8,750
Hogs	Number	293	1,072	532	1,715	1,181	626	567	1,004	1,045	312	1,768
Sheep and lambs	Number	21,363	19,538	16,899	16,567	20,254	6,900	15,779	20,894	23,870	17,945	11,759

¹ Federally inspected and other commercial. ² Beginning Jan. 1977 excludes beef and pork stocks in cooler. ³ Includes stocks of canned meats in cooler in addition to the meats listed.

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